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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016
OF THE CONDITION AND AFFAIRS OF THE

Aetna Health of Iowa Inc.

NAIC Group Code 0001 (Current) 0001 (Prior) NAIC Company Code 95241 Employer's ID Number 42-1244752

Organized under the Laws of Iowa, State of Domicile or Port of Entry IA

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 02/07/1985 Commenced Business 01/01/1986

Statutory Home Office 15950 West Dodge Road (Street and Number), Omaha , NE, US 68118 (City or Town, State, Country and Zip Code)

Main Administrative Office 15950 West Dodge Road (Street and Number)
Omaha , NE, US 68118 (City or Town, State, Country and Zip Code), 800-471-0240 (Area Code) (Telephone Number)

Mail Address 15950 West Dodge Road (Street and Number or P.O. Box), Omaha , NE, US 68118 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 15950 West Dodge Road (Street and Number)
Omaha , NE, US 68118 (City or Town, State, Country and Zip Code), 402-351-7476 (Area Code) (Telephone Number)

Internet Website Address www.cvty.com

Statutory Statement Contact Frank Ferris Chronister III (Name), 717-541-5742 (Area Code) (Telephone Number)
fchronister@aetna.com (E-mail Address), 717-526-2888 (FAX Number)

OFFICERS

President	Frank Joseph D'Antonio	Corporate Controller	Frank Ferris Chronister III
Vice President and Secretary	Edward Chung-I Lee		

OTHER

Kevin James Casey, Senior Investment Officer
Elaine Rose Cofrancesco, Vice President & Treasurer
Kabir M Rahmanzai, Chief Financial Officer

DIRECTORS OR TRUSTEES

Michael Dean Bahr
James Christensen
Frank Joseph D'Antonio

State of
County of SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Frank Joesph D'Antonio	Edward Chung-I Lee	Frank Ferris Chronister III
President	Vice President and Secretary	Corporate Controller

Subscribed and sworn to before me this
day of

a. Is this an original filing? Yes [X] No [ ]
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	48,273,428		48,273,428	45,563,414
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			0	0
	2.2 Common stocks			0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ (2,522,463) , Schedule E - Part 1), cash equivalents ($ 3,680,893 , Schedule E - Part 2) and short-term investments ($ 932 , Schedule DA)	1,159,362		1,159,362	13,020,526
6.	Contract loans, (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)			0	0
9.	Receivables for securities	11,406		11,406	0
10.	Securities lending reinvested collateral assets (Schedule DL)			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	49,444,196	0	49,444,196	58,583,940
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	384,510		384,510	356,210
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	1,334,856	913,328	421,528	11,306,283
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ 24,803)	24,803		24,803	654,731
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	8,722,988		8,722,988	18,175,313
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans			0	864,933
18.1	Current federal and foreign income tax recoverable and interest thereon	7,820,415		7,820,415	0
18.2	Net deferred tax asset	34,236		34,236	0
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($ ....)	76,726	76,726	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	5,070,460		5,070,460	6,296,544
24.	Health care ($ 43,376) and other amounts receivable	43,376		43,376	0
25.	Aggregate write-ins for other than invested assets	15,535,792	6,000	15,529,792	636,688
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	88,492,358	996,054	87,496,304	96,874,642
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	88,492,358	996,054	87,496,304	96,874,642
	DETAILS OF WRITE-INS				
1101.				0	0
1102.				0	0
1103.				0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	Recoverable State Premium Taxes	438,252		438,252	575,989
2502.	Deposits	6,000	6,000	0	0
2503.	Cost Share Reduction	13,953,800		13,953,800	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	1,137,740	0	1,137,740	60,699
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	15,535,792	6,000	15,529,792	636,688

LIABILITIES, CAPITAL AND SURPLUS

		Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1.	Claims unpaid (less $ 305,313 reinsurance ceded)	24,675,485	1,737,937	26,413,422	33,483,399
2.	Accrued medical incentive pool and bonus amounts	2,081,175		2,081,175	504,958
3.	Unpaid claims adjustment expenses	487,656		487,656	725,157
4.	Aggregate health policy reserves, including the liability of $ 4,810,121 for medical loss ratio rebate per the Public Health Service Act	22,591,782		22,591,782	10,935,556
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserves			0	0
7.	Aggregate health claim reserves	435,502		435,502	496,589
8.	Premiums received in advance	4,480,972		4,480,972	4,660,394
9.	General expenses due or accrued	610,881		610,881	3,492,003
10.1	Current federal and foreign income tax payable and interest thereon (including $ on realized capital gains (losses))			0	2,224,615
10.2	Net deferred tax liability			0	10,068
11.	Ceded reinsurance premiums payable			0	0
12.	Amounts withheld or retained for the account of others	48,627		48,627	229,533
13.	Remittances and items not allocated	212,909		212,909	20,225
14.	Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15.	Amounts due to parent, subsidiaries and affiliates	632,973		632,973	574,133
16.	Derivatives			0	0
17.	Payable for securities			0	0
18.	Payable for securities lending			0	0
19.	Funds held under reinsurance treaties (with $ authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)			0	0
20.	Reinsurance in unauthorized and certified ($) companies			0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22.	Liability for amounts held under uninsured plans	63,011		63,011	54,190
23.	Aggregate write-ins for other liabilities (including $ current)	24,223	0	24,223	327,890
24.	Total liabilities (Lines 1 to 23)	56,345,197	1,737,937	58,083,134	57,738,710
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	5,710,000
26.	Common capital stock	XXX	XXX	1,267,835	1,267,835
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	27,901,617	27,901,617
29.	Surplus notes	XXX	XXX		0
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	243,718	4,256,480
32.	Less treasury stock, at cost:				
	32.1 shares common (value included in Line 26 $)	XXX	XXX		
	32.2 shares preferred (value included in Line 27 $)	XXX	XXX		
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	29,413,170	39,135,932
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	87,496,304	96,874,642
	DETAILS OF WRITE-INS				
2301.	Abandoned Property Liability	24,223		24,223	3,798
2302.	Cost Share Reduction			0	324,092
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	24,223	0	24,223	327,890
2501.	Estimated Health Insurer Fee Accrual	XXX	XXX		5,710,000
2502.		XXX	XXX		0
2503.		XXX	XXX		0
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	5,710,000
3001.		XXX	XXX		0
3002.		XXX	XXX		0
3003.		XXX	XXX		0
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	XXX	686,635	902,114
2.	Net premium income (including $ non-health premium income)	XXX	241,934,054	311,960,148
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(1,506,766)	(569,703)
4.	Fee-for-service (net of $ medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	39	(575)
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	240,427,327	311,389,870
	Hospital and Medical:			
9.	Hospital/medical benefits	10,651,403	161,881,579	205,245,254
10.	Other professional services	421,909	6,412,228	11,273,959
11.	Outside referrals	259,022	3,936,649	12,049,483
12.	Emergency room and out-of-area	294,681	4,478,603	19,088,739
13.	Prescription drugs		39,663,059	40,050,400
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		2,009,664	(1,281,778)
16.	Subtotal (Lines 9 to 15)	11,627,015	218,381,783	286,426,057
	Less:			
17.	Net reinsurance recoveries		7,446,309	18,635,760
18.	Total hospital and medical (Lines 16 minus 17)	11,627,015	210,935,474	267,790,297
19.	Non-health claims (net)			0
20.	Claims adjustment expenses, including $ 3,501,080 cost containment expenses		4,247,450	4,841,507
21.	General administrative expenses		39,424,560	41,748,855
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		0	0
23.	Total underwriting deductions (Lines 18 through 22)	11,627,015	254,607,484	314,380,659
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(14,180,157)	(2,990,789)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,120,828	849,845
26.	Net realized capital gains (losses) less capital gains tax of $ 10,296		(142,787)	(58,137)
27.	Net investment gains (losses) (Lines 25 plus 26)	0	978,041	791,708
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			
29.	Aggregate write-ins for other income or expenses	0	0	(30,303)
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(13,202,116)	(2,229,384)
31.	Federal and foreign income taxes incurred	XXX	(5,906,469)	(87,108)
32.	Net income (loss) (Lines 30 minus 31)	XXX	(7,295,647)	(2,142,276)
	DETAILS OF WRITE-INS			
0601.	Misc Other Income	XXX	39	(575)
0602.		XXX		0
0603		XXX		0
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	39	(575)
0701.		XXX		0
0702.		XXX		0
0703		XXX		0
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.	Gain on Risk Sharing			0
1402.				0
1403.				0
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.	Regulatory Fines			(30,303)
2902.				0
2903				0
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	(30,303)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	39,135,932	25,557,975
34.	Net income or (loss) from Line 32	(7,295,647)	(2,142,276)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	44,304	(1,452,512)
39.	Change in nonadmitted assets	(459,415)	3,192,310
40	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles	474,137	
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	0	16,000,000
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	(2,486,142)	(2,019,565)
48.	Net change in capital and surplus (Lines 34 to 47)	(9,722,762)	13,577,957
49.	Capital and surplus end of reporting period (Line 33 plus 48)	29,413,170	39,135,932
	DETAILS OF WRITE-INS		
4701.	Change in Prior Year Assessments		(1,561,278)
4702.	Change in Premium Tax Accrual		(73,605)
4703.	Change in Federal Income Tax incurred		25,761
4798.	Summary of remaining write-ins for Line 47 from overflow page	(2,486,142)	(410,443)
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(2,486,142)	(2,019,565)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	262,946,963	321,712,746
2.	Net investment income	1,421,383	1,065,686
3.	Miscellaneous income	39	(575)
4.	Total (Lines 1 through 3)	264,368,385	322,777,857
5.	Benefit and loss related payments	207,081,372	262,374,510
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	45,779,142	47,493,986
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	4,148,857	(3,409,759)
10.	Total (Lines 5 through 9)	257,009,371	306,458,737
11.	Net cash from operations (Line 4 minus Line 10)	7,359,014	16,319,120
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	2,697,482	8,147,328
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(28)	66
	12.7 Miscellaneous proceeds	0	66,859
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,697,454	8,214,253
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	5,868,814	24,820,432
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	11,406	66,860
	13.7 Total investments acquired (Lines 13.1 to 13.6)	5,880,220	24,887,292
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(3,182,766)	(16,673,039)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	16,000,000
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(16,037,413)	(8,129,682)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(16,037,413)	7,870,318
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(11,861,165)	7,516,399
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	13,020,526	5,504,127
	19.2 End of year (Line 18 plus Line 19.1)	1,159,361	13,020,526

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Non-Cash Bond Exchanges	3,589,564	262,784

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	241,934,054	224,519,224				(649,663)	18,064,493			
2. Change in unearned premium reserves and reserve for rate credit	(1,506,766)	(1,506,766)								
3. Fee-for-service (net of $ .... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	40	40	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	240,427,328	223,012,498	0	0	0	(649,663)	18,064,493	0	0	0
8. Hospital/medical benefits	161,881,579	150,292,616				604,745	10,984,218			XXX
9. Other professional services	6,412,228	5,913,448				22,048	476,732			XXX
10. Outside referrals	3,936,649	3,651,501				14,786	270,362			XXX
11. Emergency room and out-of-area	4,478,603	4,181,160				15,424	282,019			XXX
12. Prescription drugs	39,663,059	38,679,582				20,641	962,837			XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	2,009,664	2,009,664								XXX
15. Subtotal (Lines 8 to 14)	218,381,783	204,727,971	0	0	0	677,643	12,976,169	0	0	XXX
16. Net reinsurance recoveries	7,446,309	7,446,309								XXX
17. Total medical and hospital (Lines 15 minus 16)	210,935,474	197,281,662	0	0	0	677,643	12,976,169	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 746,372 cost containment expenses	4,247,451	4,221,067				(12,214)			38,598	
20. General administrative expenses	39,424,560	37,263,811				228,917	2,091,800		(159,968)	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	254,607,485	238,766,540	0	0	0	894,346	15,067,969	0	(121,370)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(14,180,157)	(15,754,042)	0	0	0	(1,544,009)	2,996,524	0	121,370	0
DETAILS OF WRITE-INS										
0501. Other Miscellaneous Revenue	40	40								XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	40	40	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	225,431,745		912,521	224,519,224
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	(649,663)			(649,663)
6. Title XVIII - Medicare	18,064,493			18,064,493
7. Title XIX - Medicaid	0			0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	242,846,575	0	912,521	241,934,054
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	242,846,575	0	912,521	241,934,054

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	227,572,111	208,811,503				1,701,043	17,059,565			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	20,924,190	20,924,190								
1.4 Net	206,647,921	187,887,313	0	0	0	1,701,043	17,059,565	0	0	0
2. Paid medical incentive pools and bonuses	433,447	307,464					125,983			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	26,718,735	26,711,897	0	0	0	9,637	(2,799)	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	305,313	305,313	0	0	0	0	0	0	0	0
3.4 Net	26,413,422	26,406,584	0	0	0	9,637	(2,799)	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	435,502	435,334				168				
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	435,502	435,334	0	0	0	168	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	2,081,175	2,081,175								
6. Net healthcare receivables (a)	43,376	43,376								
7. Amounts recoverable from reinsurers December 31, current year	8,722,988	8,722,988								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	37,814,269	32,715,242	0	0	0	1,018,429	4,080,598	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	4,330,869	4,330,869	0	0	0	0	0	0	0	0
8.4 Net	33,483,400	28,384,373	0	0	0	1,018,429	4,080,598	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	496,588	481,813				14,775				
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	496,588	481,813	0	0	0	14,775	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	504,958	378,975	0	0	0	0	125,983	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	18,175,313	18,175,313	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	216,372,115	202,718,303	0	0	0	677,644	12,976,168	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	7,446,309	7,446,309	0	0	0	0	0	0	0	0
12.4 Net	208,925,806	195,271,994	0	0	0	677,644	12,976,168	0	0	0
13. Incurred medical incentive pools and bonuses	2,009,664	2,009,664	0	0	0	0	0	0	0	0

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	0									
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct	26,718,735	26,711,897				9,637	(2,799)			
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	305,313	305,313								
2.4 Net	26,413,422	26,406,584	0	0	0	9,637	(2,799)	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	26,718,735	26,711,897	0	0	0	9,637	(2,799)	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	305,313	305,313	0	0	0	0	0	0	0	0
4.4 Net	26,413,422	26,406,584	0	0	0	9,637	(2,799)	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	31,709,784	165,629,854	668,608	26,173,310	32,378,392	28,866,186
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	1,630,232	70,811	10,121	(316)	1,640,353	1,033,204
6. Title XVIII - Medicare	2,531,990	14,527,579	0	(2,799)	2,531,990	4,080,598
7 Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	35,872,006	180,228,244	678,729	26,170,195	36,550,735	33,979,988
10. Healthcare receivables (a)	0	43,376	0	0	0	0
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	433,447	0	2,081,175	0	504,958
13. Totals (Lines 9 - 10 + 11 + 12)	35,872,006	180,618,315	678,729	28,251,370	36,550,735	34,484,946

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	7,676	7,676	7,676	7,676	7,676
2.	2012	41,433	45,008	45,008	45,008	45,008
3.	2013	XXX	48,949	54,806	54,806	54,806
4.	2014	XXX	XXX	110,985	136,683	136,683
5.	2015	XXX	XXX	XXX	194,142	225,852
6.	2016	XXX	XXX	XXX	XXX	165,894

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	(67,007)	(67,007)	(67,007)	(67,007)	(67,007)
2.	2012	46,368	45,008	45,008	45,008	45,008
3.	2013	XXX	54,795	55,000	55,000	55,000
4.	2014	XXX	XXX	130,715	156,561	156,561
5.	2015	XXX	XXX	XXX	222,815	255,193
6.	2016	XXX	XXX	XXX	XXX	194,148

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2012	64,176	45,008	0	0.0	45,008	70.1	0	0	45,008	70.1
2.	2013	71,411	54,806	0	0.0	54,806	76.7	0	0	54,806	76.7
3.	2014	146,813	136,683	0	0.0	136,683	93.1	0	0	136,683	93.1
4.	2015	263,951	225,852	0	0.0	225,852	85.6	669	0	226,521	85.8
5.	2016	224,519	165,894	4,260	2.6	170,154	75.8	28,254	487	198,895	88.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	0	0	0	0	
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Medicare Supplement

NONE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement

NONE

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012										
2. 2013										
3. 2014										
4. 2015										
5. 2016										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Dental Only

		Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	0	0	0	0	0
2.	2012	158	158	158	158	158
3.	2013	XXX	126	126	126	126
4.	2014	XXX	XXX			0
5.	2015	XXX	XXX	XXX		0
6.	2016	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Dental Only

		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	(118)	0	0	0	0
2.	2012	158	158	158	158	158
3.	2013	XXX	126	126	126	126
4.	2014	XXX	XXX			
5.	2015	XXX	XXX	XXX		
6.	2016	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2012	69			0.0	0	0.0			0	0.0
2.	2013	0			0.0	0	0.0			0	0.0
3.	2014	0			0.0	0	0.0			0	0.0
4.	2015	0			0.0	0	0.0			0	0.0
5.	2016	0			0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	0	0	0	0	
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Vision Only

NONE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

NONE

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012										
2. 2013										
3. 2014										
4. 2015										
5. 2016										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	0	0	0	0	0
2.	2012	12,289	13,101	13,101	13,101	13,101
3.	2013	XXX	10,573	11,496	11,496	11,496
4.	2014	XXX	XXX	10,547	11,214	11,214
5.	2015	XXX	XXX	XXX	9,603	11,233
6.	2016	XXX	XXX	XXX	XXX	71

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	(23,309)	(23,309)	(23,309)	(23,309)	(23,309)
2.	2012	12,289	132,101	132,101	132,101	132,101
3.	2013	XXX	11,351	11,364	11,364	11,364
4.	2014	XXX	XXX	11,578	12,255	12,255
5.	2015	XXX	XXX	XXX	11,048	12,688
6.	2016	XXX	XXX	XXX	XXX	70

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2012	14,853	13,101	0	0.0	13,101	88.2	0	0	13,101	88.2
2.	2013	15,088	11,496	0	0.0	11,496	76.2	0	0	11,496	76.2
3.	2014	14,861	11,214	0	0.0	11,214	75.5	0	0	11,214	75.5
4.	2015	14,934	11,233	0	0.0	11,233	75.2	10	0	11,243	75.3
5.	2016	(650)	71	(12)	(16.9)	59	(9.1)	0	0	59	(9.1)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	3,906	3,906	3,906	3,906	3,906
2. 2012	24,008	26,240	26,240	26,240	26,240
3. 2013	XXX	26,050	28,833	28,833	28,833
4. 2014	XXX	XXX	28,821	32,569	32,569
5. 2015	XXX	XXX	XXX	26,552	29,084
6. 2016	XXX	XXX	XXX	XXX	14,654

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	(8,549)	(8,079)	(8,076)	(8,076)	(8,076)
2. 2012	26,840	26,240	26,240	26,240	26,240
3. 2013	XXX	29,799	29,835	29,835	29,835
4. 2014	XXX	XXX	32,658	36,487	36,487
5. 2015	XXX	XXX	XXX	30,678	33,210
6. 2016	XXX	XXX	XXX	XXX	14,651

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012	33,170	26,240	0	0.0	26,240	79.1	0	0	26,240	79.1
2. 2013	33,980	28,833	0	0.0	28,833	84.9	0	0	28,833	84.9
3. 2014	36,620	32,569	0	0.0	32,569	88.9	0	0	32,569	88.9
4. 2015	34,800	29,084	0	0.0	29,084	83.6	0	0	29,084	83.6
5. 2016	18,064	14,654	0	0.0	14,654	81.1	(3)	0	14,651	81.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX

		Cumulative Net Amounts Paid				
	Year in Which Losses Were Incurred	1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	0	(18,474)	(18,474)	(18,474)	(18,474)
2.	2012					0
3.	2013	XXX				0
4.	2014	XXX	XXX			0
5.	2015	XXX	XXX	XXX		0
6.	2016	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Title XIX

		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	Year in Which Losses Were Incurred	1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)
2.	2012					0
3.	2013	XXX				0
4.	2014	XXX	XXX			0
5.	2015	XXX	XXX	XXX		0
6.	2016	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2012				0.0	0	0.0			0	0.0
2.	2013				0.0	0	0.0			0	0.0
3.	2014				0.0	0	0.0			0	0.0
4.	2015				0.0	0	0.0			0	0.0
5.	2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	0	0	0	0	
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Other

NONE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

NONE

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2012										
2. 2013										
3. 2014										
4. 2015										
5. 2016										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	11,582	(6,892)	(6,892)	(6,892)	(6,892)
2.	2012	77,888	84,507	84,507	84,507	84,507
3.	2013	XXX	85,698	95,261	95,261	95,261
4.	2014	XXX	XXX	150,353	180,466	180,466
5.	2015	XXX	XXX	XXX	230,297	266,169
6.	2016	XXX	XXX	XXX	XXX	180,619

Section B - Incurred Health Claims - Grand Total

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	(117,457)	(116,869)	(116,866)	(116,866)	(116,866)
2.	2012	85,655	203,507	203,507	203,507	203,507
3.	2013	XXX	96,071	96,325	96,325	96,325
4.	2014	XXX	XXX	174,951	205,303	205,303
5.	2015	XXX	XXX	XXX	264,541	301,091
6.	2016	XXX	XXX	XXX	XXX	208,869

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2012	112,268	84,349	0	0.0	84,349	75.1	0	0	84,349	75.1
2.	2013	120,479	95,135	0	0.0	95,135	79.0	0	0	95,135	79.0
3.	2014	198,294	180,466	0	0.0	180,466	91.0	0	0	180,466	91.0
4.	2015	313,685	266,169	0	0.0	266,169	84.9	679	0	266,848	85.1
5.	2016	241,933	180,619	4,248	2.4	184,867	76.4	28,251	487	213,605	88.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $) for investment income	22,591,782	21,690,697				901,085			
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	22,591,782	21,690,697	0	0	0	901,085	0	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	22,591,782	21,690,697	0	0	0	901,085	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	435,502	435,334				168			
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	435,502	435,334	0	0	0	168	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	435,502	435,334	0	0	0	168	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses 1 Cost Containment Expenses	Claim Adjustment Expenses 2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
1. Rent ($ ..... for occupancy of own building)	93,094	41,558	32,290	273	167,215
2. Salary, wages and other benefits	2,262,048	427,902	10,858,858	30,458	13,579,266
3. Commissions (less $ ..... ceded plus $ ..... assumed)	0	0	3,320,599	0	3,320,599
4. Legal fees and expenses	4,761	0	(113,217)	336	(108,120)
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	76,814	3,120	3,073,374	0	3,153,308
7. Traveling expenses	13,899	1,254	330,835	919	346,907
8. Marketing and advertising	5,287	13,838	419,299	0	438,424
9. Postage, express and telephone	55,982	30,721	616,477	1,961	705,141
10. Printing and office supplies	6,162	1,067	389,923	1,319	398,471
11. Occupancy, depreciation and amortization	0	0	0	0	0
12. Equipment	9,803	4,060	679,811	1,630	695,304
13. Cost or depreciation of EDP equipment and software	116,796	26,354	759,562	0	902,712
14. Outsourced services including EDP, claims, and other services	847,576	195,176	2,616,929	8,542	3,668,223
15. Boards, bureaus and association fees	(280)	22	19,598	29	19,369
16. Insurance, except on real estate	6,022	1,545	291,428	0	298,995
17. Collection and bank service charges	105	821	146,536	213	147,675
18. Group service and administration fees	2,451	(1,008)	(1,314)	0	129
19. Reimbursements by uninsured plans	0	0	(379,282)	0	(379,282)
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	770	37	369,219	890	370,916
22. Real estate taxes	0	0	46,898	0	46,898
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	0	0	0
23.2 State premium taxes	0	0	2,294,297	0	2,294,297
23.3 Regulatory authority licenses and fees	0	0	666,837	0	666,837
23.4 Payroll taxes	0	0	1,111,150	2,593	1,113,743
23.5 Other (excluding federal income and real estate taxes)	0	0	11,373,468	0	11,373,468
24. Investment expenses not included elsewhere	0	0	0	0	0
25. Aggregate write-ins for expenses	(210)	(97)	500,985	0	500,678
26. Total expenses incurred (Lines 1 to 25)	3,501,080	746,370	39,424,560	49,163	(a) 43,721,173
27. Less expenses unpaid December 31, current year		487,656	610,881		1,098,537
28. Add expenses unpaid December 31, prior year	0	725,157	3,492,004	0	4,217,161
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,501,080	983,871	42,305,683	49,163	46,839,797
DETAILS OF WRITE-INS					
2501. CVS Caremark Recovery	(105)	(97)	54,342		54,140
2502. Miscellaneous	(105)	0	491,717		491,612
2503. Interest Expense	0		(59,241)		(59,241)
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	14,167	0	14,167
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	(210)	(97)	500,985	0	500,678

(a) Includes management fees of $ 29,670,722 to affiliates and $ ..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 120,184	139,420
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 983,833	992,900
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5	Contract Loans		
6	Cash, cash equivalents and short-term investments	(e) 37,671	37,671
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	1,141,688	1,169,991
11.	Investment expenses		(g) 46,570
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 2,593
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		49,163
17.	Net investment income (Line 10 minus Line 16)		1,120,828
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 40,315 accrual of discount less $ 369,170 amortization of premium and less $ 56,905 paid for accrued interest on purchases.

(b) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued dividends on purchases.

(c) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.

(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.

(e) Includes $ 37,654 accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.

(f) Includes $ accrual of discount less $ amortization of premium.

(g) Includes $. 49,163 investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ interest on surplus notes and $ interest on capital notes.

(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	25,122	(158,676)	(133,554)	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	1,091	0	1,091	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(28)		(28)		
7.	Derivative instruments			0		
8.	Other invested assets		0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	26,185	(158,676)	(132,491)	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)		0	0
2.	Stocks (Schedule D):			
	2.1 Preferred stocks		0	0
	2.2 Common stocks		0	0
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens		0	0
	3.2 Other than first liens		0	0
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company		0	0
	4.2 Properties held for the production of income		0	0
	4.3 Properties held for sale		0	0
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)		0	0
6.	Contract loans		0	0
7.	Derivatives (Schedule DB)		0	0
8.	Other invested assets (Schedule BA)		0	0
9.	Receivables for securities		0	0
10.	Securities lending reinvested collateral assets (Schedule DL)		0	0
11.	Aggregate write-ins for invested assets	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13.	Title plants (for Title insurers only)		0	0
14.	Investment income due and accrued		0	0
15.	Premiums and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection	913,328	441,516	(471,812)
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due		0	0
	15.3 Accrued retrospective premiums and contracts subject to redetermination		0	0
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers		0	0
	16.2 Funds held by or deposited with reinsured companies		0	0
	16.3 Other amounts receivable under reinsurance contracts		0	0
17.	Amounts receivable relating to uninsured plans		0	0
18.1	Current federal and foreign income tax recoverable and interest thereon		0	0
18.2	Net deferred tax asset		0	0
19.	Guaranty funds receivable or on deposit		0	0
20.	Electronic data processing equipment and software		0	0
21.	Furniture and equipment, including health care delivery assets	76,726	89,123	12,397
22.	Net adjustment in assets and liabilities due to foreign exchange rates		0	0
23.	Receivable from parent, subsidiaries and affiliates		0	0
24.	Health care and other amounts receivable		0	0
25.	Aggregate write-ins for other than invested assets	6,000	6,000	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	996,054	536,639	(459,415)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
28.	Total (Lines 26 and 27)	996,054	536,639	(459,415)
	DETAILS OF WRITE-INS			
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.	Deposits	6,000	6,000	0
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	6,000	6,000	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Total Members at End of					6
Source of Enrollment	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	7,357	6,228	1,728	1,695	1,579	42,382
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service	61,491	57,483	54,384	51,988	48,548	644,253
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	68,848	63,711	56,112	53,683	50,127	686,635
DETAILS OF WRITE-INS						
0601.	0					
0602.	0					
0603.	0					
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies and going concern

A. Accounting practices

The accompanying statutory financial statements of Aetna Health of Iowa, Inc. (the “Company”), indirectly a wholly-owned subsidiary of Aetna Inc. (“Aetna”), have been prepared in conformity with accounting practices prescribed or permitted by the Iowa Insurance Department (“Iowa Department”) (“Iowa Accounting Practices”). The Iowa Department recognizes only statutory accounting practices prescribed or permitted by the State of Iowa for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners' (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”).

A reconciliation of the Company’s net income and surplus between NAIC SAP and practices prescribed and permitted by the State of Iowa for the years ending December 31, 2016 and 2015 is as follows:

		SSAP #	F/S Page	F/S Line #	2016	2015
	Net income					
(1)	The Company’s state basis	XXX	XXX	XXX	$(7,295,647)	$(2,142,276)
(2)	Iowa prescribed practices that increase/ (decrease) NAIC SAP	N/A	N/A	N/A	-	-
(3)	Iowa permitted practices that increase/ (decrease) NAIC SAP	N/A	N/A	N/A	-	-
(4)	NAIC SAP				$(7,295,647)	$(2,142,276)
	Surplus					
(5)	The Company’s state basis	XXX	XXX	XXX	$29,413,170	$39,135,932
(6)	Iowa prescribed practices that increase/ (decrease) NAIC SAP	N/A	N/A	N/A	-	-
(7)	Iowa permitted practices that increase/ (decrease) NAIC SAP	N/A	N/A	N/A	-	-
(8)	NAIC SAP				$29,413,170	$39,135,932

B. Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Iowa Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates.

C. Accounting policies

The Company applies the following significant accounting policies:

(1) Cash, cash equivalents and short-term investments

Cash, cash equivalents and short-term investments, consisting primarily of money market instruments and other debt issues with an original maturity of up to one year, are carried at amortized cost. Short-term investments consist primarily of investments purchased with an original maturity date of greater than three months but less than one year. Cash equivalents consist of highly liquid instruments, which mature within three months from the date of purchase. The carrying amount of cash, cash equivalents and short-term investments approximates fair value. If a reporting entity has multiple cash accounts, the net amount of all accounts shall be reported jointly. Cash accounts with positive balances shall not be reported separately from cash accounts with negative balances. If in the aggregate, the reporting entity has a net negative cash balance, it shall be reported as a negative asset and shall not be recorded as a liability.

(2) Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with an NAIC designation of 3 through 6, which are carried at the lower of amortized cost or fair value. The amount carried at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment’s financial performance and cash flow projections. The

Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2016 and 2015. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, other than loan-backed and structured securities, an other-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition. Declines deemed to be OTTI in the cost basis are recognized as realized capital losses. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan-backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from our expectations and the risk that facts and circumstances factored into our assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily-impaired in prior reporting periods.

(3) The Company did not own any common stock at December 31, 2016 or 2015.

(4) The Company did not own any preferred stock at December 31, 2016 or 2015.

(5) The Company did not have any mortgage loans at December 31, 2016 or 2015.

(6) Securities lending

The Company engages in securities lending by lending certain securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of a loaned security. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned securities fluctuates. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to SSAP No. 103 - *Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SSAP No. 103"), collateral required under the Company's securities lending program is carried on the Company's Statutory Statements of Assets and Liabilities, Capital and Surplus as both a receivable and payable. Also pursuant to SSAP No. 103, if the collateral received from a counterparty is less than 100 percent at the reporting date, the difference between the actual collateral and 100 percent is nonadmitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty. The Company did not have any loaned securities or collateral at December 31, 2016 and 2015.

(7) The Company did not have any investments in subsidiaries, controlled and affiliated companies at December 31, 2016 or 2015.

(8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2016 or 2015.

(9) The Company did not have any derivatives at December 31, 2016 or 2015.

(10) Aggregate health policy reserves and related expenses

Premium deficiency reserves ("PDR") are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Where allowed, anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. The Company had no PDR at December 31, 2016 or 2015.

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual medical loss ratios ("MLR") were not met in the prior year. The Company's results for full-year 2016 and 2015 included an estimate of $4,810,121 and $0, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities and Capital and Surplus.

The Company reports liabilities associated with contracts subject to redetermination as aggregate health policy reserves in accordance with SSAP No. 54 – *Individual and Group and Accident Health Contracts* ("SSAP No. 54") and SSAP No. 107 - *Risk-Sharing Provisions of the Affordable Care Act* ("SSAP No. 107"). The Company reported Federal Contingency Reserves of $901,085 in aggregate policy reserves at both December 31, 2016 and 2015. The Company reported Affordable Care Act ("ACA") Risk Adjustment Payables of $16,602,700 and $9,310,050 in aggregate health policy reserves at December 31, 2016 and 2015, respectively.

Additional amounts of $277,876 and $0 were included in aggregate policy reserves at December 31, 2016 and 2015, respectively.

(11) <u>Hospital and medical costs and claims adjustment expenses and related reserves</u>

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid and aggregate health claim reserves include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements of Assets and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing payment patterns, medical cost trends, historical utilization of health care services, claim inventory levels, medical inflation, contract requirement changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenue and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses in the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

The Company uses the triangulation method to estimate reserves for claims incurred but not reported. The method of triangulation makes estimates of completion factors that are then applied to the total paid claims (net of coordination of benefits) to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

Claims adjustment expenses, which include cost containment expenses, represent the costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses are included in the Company's management agreement with an affiliate described in Note 10.

(12) The Company did not modify its capitalization policy from the prior period.

(13) <u>Pharmaceutical rebate receivables</u>

The Company estimates pharmaceutical rebate receivables based upon historical payment trends, actual utilization and other variables. Pharmaceutical rebates for a quarter are billed to the vendor within one month of the completion of the quarter with any adjustment to previously recorded amounts reflected at the time of billing. The Company reports pharmaceutical rebate receivables as health care receivables. Pharmacy rebate receivables not in accordance with SSAP No. 84 – *Health Care and Government Insured Plan Receivables* or are over 90 days past due are nonadmitted. All rebates are processed and settled with an affiliated entity. The pharmaceutical rebate receivables are more fully discussed in Note 28.

(14) <u>Premiums and amounts due and unpaid</u>

Premium revenue for prepaid health or dental care products is recognized as income in the month in which enrollees are entitled to health or dental care services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums in the Statutory Statements of Liabilities, Capital and Surplus (refer to discussion of aggregate health policy reserves and related expenses above).

Nonadmitted amounts consist of all premiums due and unpaid greater than 90 days past due, with the exception of amounts due under government insured plans, which may be admitted assets under certain circumstances. In addition, for any customer for which the premiums due and unpaid greater than 90 days past due is more than a de minimus portion of the entire balance of premiums due and unpaid for that customer, the entire balance of premiums due and unpaid for that customer is nonadmitted. Management also performs a specific review of accounts and based on the results of the review, additional amounts may be nonadmitted. Uncollectible amounts are generally written-off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible by the Company.

(15) Aggregate health claim reserves

The reserve for future contingent benefits includes the estimated cost of services that will continue to be incurred after the Statutory Statements of Liabilities, Capital and Surplus date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate health claim reserves in the Statutory Statements of Liabilities, Capital and Surplus and are estimated using a percentage of current hospital and medical costs, which is based on the Company's historical cost experience.

(16) Investment income due and accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2016 and 2015, the Company did not have any nonadmitted investment income due and accrued.

(17) Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

(18) Fees Paid to the Federal Government by Health Insurers

Beginning January 1, 2014, SSAP No. 106 – *Affordable Care Act Section 9010 Assessment* (“SSAP No. 106”) required (1) that the health insurer fee be recognized in full on January 1 of the fee year (the calendar year in which the assessment must be paid to the federal government), in the operating expense category of insurance taxes, licenses and fees, excluding federal income taxes and (2) that in each data year preceding a fee year a reporting entity pro-ratably accrue by reclassifying from unassigned funds (surplus) to aggregate write-ins for special surplus funds an amount equal to its estimated subsequent fee year assessment. This reclassification has no impact on total capital and surplus and is reversed in full on January 1 of the fee year beginning with fee years starting on January 1, 2015 and after. In December 2015, the Consolidated Appropriation Act was enacted which included a one year suspension in 2017 of the health insurer fee. As interpreted in INT 16-01: ACA Section 9010 Assessment 2017 Moratorium, because there is not an ACA Section 9010 fee due in September 2017, there is not an accrual of a liability on January 1, 2017 based on 2016 data year net written premiums. Accrual of a liability on January 1, 2018 for the ACA Section 9010 assessment based on 2017 data year net written premiums and the reclassification from unassigned funds (surplus) to aggregate write-ins for special surplus funds equal to the estimated 2018 fee year assessment accrued in data year 2017 will both continue as prescribed under SSAP No. 106. See Note 22 for disclosure of all amounts related to the health insurer fee for the Company.

(19) Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010’s (collectively, “Health Care Reform”) Reinsurance, Risk Adjustment and Risk Corridor (the “3Rs”) pursuant to SSAP No. 107 and INT 15-01: ACA Risk Corridors Collectibility (“INT 15-01”)

Reinsurance

Health Care Reform established a temporary reinsurance program that expires at the end of 2016. Under this program, all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services (“HHS”). A portion of the funds collected will be utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding is reflected in insurance, taxes, licenses and fees for all of the Company’s insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. When annual claim costs incurred by the Company’s qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. The Company records amounts recoverable for claims paid and unpaid and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to plans with above average risk scores. Based on the risk of the Company’s qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its ultimate risk adjustment receivable or payable for the current calendar year and reflects the impact as an adjustment to its premium revenue.

Risk Corridor

Health Care Reform established a temporary risk sharing program, which expires at the end of 2016, for qualified individual and small group insurance plans. Under this program the Company makes (or receives) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on the Company's estimate of the ultimate risk sharing amount for the current calendar year. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collects risk corridor payables. In November 2015, INT 15-01 was issued as guidance to address the accounting for risk corridor receivables. In conjunction with this guidance, the Company recorded a risk corridor receivable at December 31, 2015 that coincided with the portion of the 2014 Health Care Reform risk corridor receivables that were considered collectible. The Company currently has not recorded any risk corridor receivables for the 2016 and 2015 program years or any amount in excess of HHS's announced pro-rated funding amount for the 2014 program year because payments from HHS are uncertain.

The Company expects to perform an annual final reconciliation and settlement with HHS of the 3Rs in each subsequent year. See Note 24.E. for disclosure of amounts related to the 3Rs for the Company for the periods ending December 31, 2016 and 2015.

(20) <u>Federal and state income and premium taxes</u>

The Company is included in the consolidated federal income tax return of its parent company, Aetna and Aetna's other wholly-owned subsidiaries pursuant to the terms of a tax sharing agreement. In accordance with a written tax sharing agreement with an affiliate, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Income taxes are accounted for under the asset and liability method. Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101. DTAs and DTLs are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Service ("IRS") tax loss carryback provisions.

b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill ("Stat Cap ExDTA").

   The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within 3 years and 15% of Stat Cap ExDTA, 1 year and 10% of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

c. The amount of gross DTAs, after the application of paragraphs a. and b. above that can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

The Company is subject to state income taxes in various states. State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. For the years ended December 31, 2016 and 2015, the Company incurred state income tax expenses of $0 and $33,099, respectively. The Company had no state income tax payable at December 31, 2016 or 2015. The Company had no state income tax receivables at December 31, 2016 or 2015.

The Company is subject to premium taxes in various states. These tax expenses are recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. The expenses for these taxes were $2,294,297 and $2,039,744 for the years ended December 31, 2016 and 2015, respectively. The Company had no premium tax payable at December 31, 2016. The Company's premium tax payable of $1,981,598 at December 31, 2015 is included in general expenses due and accrued in the Statutory Statements of Liabilities, Capital and Surplus. The Company had premium taxes recoverable of $438,252 and $575,989 at December 31, 2016 and 2015, respectively, which were included as a write-in in the Statutory Statements of Assets.

(21) Reinsurance

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results and to help balance its risks and capital by reinsuring certain levels of risk with other insurance enterprises. The reinsurance coverage does not relieve the Company of its primary obligations. Reinsurance premiums and reserves related to reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded for medical losses and the related unpaid reserves have been reported as reductions of these items. The reinsurance agreements are more fully discussed in Notes 10 and 23.

D. Going concern

After evaluation at December 31, 2016, management has no concern over the Company's ability to continue as a going concern at this time. Management will continuously evaluate the Company's ability to continue as a going concern and will take appropriate action and will make appropriate disclosures if there is any change in any condition or events that would raise substantial doubt about the Company's ability to continue as a going concern.

2. Accounting changes and corrections of errors

Accounting changes adopted to conform to the provisions of the NAIC SAP are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. During the fourth quarter of 2016, the Company recorded a cumulative effect of a change in accounting principle as an adjustment that increased unassigned funds (surplus) of $474,137 on the Statement of Capital and Surplus. This adjustment was related to the application of SSAP No. 35R – Guaranty Fund and Other Assessments and the method of realizing statutory assets for paid assessments related to accident and health contracts. The impact of realizing these statutory assets for paid assessments at the beginning of the year resulted in an increase in the Company's unassigned funds (surplus) (Statement of Liabilities, Capital and Surplus) of the $474,137 cumulative effect adjustment, which was composed of an increase in the Company's other assessments receivable (Aggregate write-ins on Statement of Assets) of $729,442 and a decrease in the Company's net deferred tax asset of $255,305 (Statement of Assets)

During 2016, the Company recorded an unfavorable correction to the medical loss ratio ("MLR") rebate liability in the amount of $3,451,347 to reflect a correction to the allocation of income taxes that resulted from not including the Cost Share Reduction in the Company's pre-tax income prior to allocating taxes for the 2014 MLR experience-year rebate calculation. This adjustment and its tax effect of $1,207,971 were included as write-ins in the Statutory Statements of Changes in Capital and Surplus.

During 2016, the Company recorded an unfavorable correction to its balance sheet of $238,709 to write-off account balances that were associated with periods prior to 2016. This adjustment and its tax effect of $83,548 were included as write-ins in the Statutory Statements of Changes in Capital and Surplus.

During 2016, the Company recorded an unfavorable correction to general expenses due or accrued related to the Patient-Centered Outcomes Research Institute ("PCORI") fee in the amount of $134,777 to reflect a more accurate membership assumption for the Company and for true-ups to the actual PCORI fee the Company reported and paid on tax returns for years prior to 2016. This adjustment and its tax effect of $47,172 were included as write-ins in the Statutory Statements of Changes in Capital and Surplus.

During 2015, the Company reclassified certain costs recorded within lines 9 through 12 of the Statutory Statements of Revenue and Expenses to be consistent with NAIC instructions. The result of this reclassification did not have an impact on total reported Hospital and Medical Benefits. Since there were no changes to Hospital and Medical Benefits in total, prior year was not adjusted to conform with the 2015 presentation.

The Company did not have any corrections of errors in the year ended December 31, 2015.

3. Business combinations and goodwill

A. Statutory Purchased Method
NONE

B. Statutory Merger Method
NONE

C. Assumption Reinsurance
NONE

D. Impairment Losses
NONE

4. Discontinued operations

The Company did not have any discontinued operations in the years ending December 31, 2016 and 2015.

5. Investments

A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2016 or 2015.

B. The Company did not have any debt restructuring in the years ending December 31, 2016 and 2015.

C. The Company did not have any reverse mortgages at December 31, 2016 or 2015.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.

(2) The Company had no OTTI losses during 2016 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R - *Loan-Backed and Structured Securities* ("SSAP No. 43R").

(3) The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at the reporting date December 31, 2016.

(4) The Company had no unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2016.

(5) The Company has reviewed the loan-backed and structured securities in accordance with SSAP No. 43R in the table above and has concluded that these are performing assets generating investment income to support the needs of the business. Furthermore, the Company has no intention to sell the securities at December 31, 2016 before their cost can be recovered and does have the intent and ability to retain the securities for the time sufficient to recover the amortized cost basis; therefore, no OTTI write-down to fair value was determined to have occurred on these securities.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) The Company did not have any repurchase agreements or loaned securities transactions at December 31, 2016.

(2) The Company did not pledge any of its assets as collateral, which are classified as securities pledged to creditors as of December 31, 2016.

(3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or repledge as of December 31, 2016.

(4) The Company did not have securities lending transactions administered by an affiliated agent which is “one line” reported at December 31, 2016.

(5) The Company did not have any repurchase agreements, loaned securities or dollar repurchase agreements at December 31, 2016.

(6) The Company has not accepted collateral that is not permitted by contract or custom to sell or repledge as of December 31, 2016.

(7) The Company did not have any collateral for transactions that extend beyond one year from the reporting date.

F. The Company did not have any real estate at December 31, 2016 or 2015.

G. The Company did not have any low-income housing tax credits at December 31, 2016.

H. Restricted Assets

(1) The Company did not have any restricted assets (including pledged) at December 31, 2016.

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2016.

(3) The Company did not have any other restricted assets at December 31, 2016.

(4) The Company did not have any collateral received and reflected within its financial statements at December 31, 2016.

I. The Company did not have any working capital finance investments at December 31, 2016.

J. The Company did not have any offsetting and netting of financial assets or liabilities at December 31, 2016.

K. The Company did not have any structured notes at December 31, 2016.

L The Company did not have any 5* securities at December 31, 2016.

6. Joint ventures, partnerships, and limited liability companies

A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2016 or 2015.

B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2016 or 2015.

7. Investment income

A. There was no investment income due and accrued excluded from surplus at December 31, 2016 or 2015, except in bonds where collection of interest was uncertain.

B. There was no amount excluded at December 31, 2016 or 2015.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2016 or 2015.

9. Income taxes

A.

1. The components of the net DTAs recognized in the Company's Statutory Statements of Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2016		
	Ordinary	Capital	Total
(a) Gross DTAs	$1,079,367	$82,081	$1,161,448
(b) Statutory valuation allowance adjustment	(1,079,367)	(39,180)	(1,118,547)
(c) Adjusted gross DTAs	-	42,901	42,901
(d) DTAs nonadmitted	-	-	-
(e) Subtotal net admitted DTAs	-	42,901	42,901
(f) DTLs	-	(8,665)	(8,665)
(g) Net admitted DTAs	-	$34,236	$34,236

	December 31, 2015		
	Ordinary	Capital	Total
(a) Gross DTAs	$2,107,958	$26,544	$2,134,502
(b) Statutory valuation allowance adjustment	(2,104,117)	(26,544)	(2,130,661)
(c) Adjusted gross DTAs	3,841	-	3,841
(d) DTAs nonadmitted	-	-	-
(e) Subtotal net admitted DTAs	3,841	-	3,841
(f) DTLs	(8,161)	(5,748)	(13,909)
(g) Net admitted DTAs	$(4,320)	$(5,748)	$(10,068)

	Change		
	Ordinary	Capital	Total
(a) Gross DTAs	$(1,028,591)	$55,537	$(973,054)
(b) Statutory valuation allowance adjustment	1,024,750	(12,636)	1,012,114
(c) Adjusted gross DTAs	(3,841)	42,901	39,060
(d) DTAs nonadmitted	0	0	0
(e) Subtotal net admitted DTAs	(3,841)	42,901	39,060
(f) DTLs	8,161	(2,917)	5,244
(g) Net admitted DTAs	$4,320	$39,984	$44,304

2. The amount of admitted gross DTAs admitted under each component of SSAP No. 101:

	December 31, 2016		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$34,236	$34,236
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	-	-
1. Adjusted gross DTAs expected to realized following the balance sheet date	-	-	-
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	4,406,840
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	0	8,665	8,665
(d) DTAs admitted as the result of application of SSAP No. 101	$0	$42,901	$42,901

	December 31, 2015		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	-	-
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	$3,841	$0	$3,841
1. Adjusted gross DTAs expected to realized following the balance sheet date	3,841	-	3,841
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	5,871,900
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	-	-
(d) DTAs admitted as the result of application of SSAP No. 101	$3,841	$0	$3,841

	Change		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$0	$34,236	$34,236
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	(3,841)	0	(3,841)
1. Adjusted gross DTAs expected to realized following the balance sheet date	(3,841)	0	(3,841)
2. Adjusted gross DTAs allowed per limitation threshold	XXX	XXX	(1,465,060)
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	0	8,665	8,665
(d) DTAs admitted as the result of application of SSAP No. 101	$(3,841)	$42,901	$39,060

3.

	2016	2015
(a) Ratio percentage used to determine recovery period and threshold limitation amount	344%	373%
(b) Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above	$29,378,934	$39,146,000

4. The impact of tax planning strategies is as follows:

	December 31, 2016		
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as			

	Ordinary	Capital	Total
a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	$0	$42,901	$42,901
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$0	$42,901	$42,901
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%

	December 31, 2015		
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	$3,841	$0	$3,841
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$3,841	$0	$3,841
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%

	Change		
	Ordinary	Capital	Total
(a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage			
1. Adjusted gross DTAs amount from Note 9A1(c)	$(3,841)	$42,901	$39,060
2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$(3,841)	$42,901	$39,060
4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%

(b) Do the Company's tax-planning strategies include the use of reinsurance? Yes __ No _X_

B. There are no DTLs that were not recognized at December 31, 2016 or 2015.

C. Current income taxes incurred consist of the following major components:

	December 31,		
	2016	2015	Change
1. Current income tax			
(a) Federal	$(5,906,469)	$(87,108)	$(5,819,361)
(b) Foreign	-	-	-
(c) Subtotal	(5,906,469)	(87,108)	(5,819,361)
(d) Federal income tax on net capital gains	10,296	5,452	4,844
(f) Other	-	-	-
(g) Federal and foreign income taxes Incurred	$(5,896,173)	$(81,656)	$(5,814,517)

	December 31, 2016	December 31, 2015	Change
2. DTAs:			
(a) Ordinary			
Claims unpaid	$80,207	$1,290,811	$(1,210,604)
Unearned premium reserve	313,668	326,228	(12,560)
Policyholder reserves	-	-	-
Fixed assets	17,462	18,909	(1,447)
Non admitted assets	321,765	156,631	165,134
Patient-Centered Outcomes Research Institute fee	30,886	0	30,886
Deferred revenue	-	-	-
Federal Contingency Reserve	315,379	315,379	0
Other	-	-	-
Total ordinary DTAs	1,079,367	2,107,958	(1,028,591)
(b) Statutory valuation allowance Adjustment	(1,079,367)	(2,104,117)	1,024,750
(c) Non admitted ordinary DTAs	-	-	-
(d) Admitted ordinary DTAs	0	3,841	(3,841)
(e) Capital			
Investments	82,081	26,544	55,537
Other	-	-	-
Total capital DTAs	82,081	26,544	55,537
(f) Statutory valuation allowance Adjustment	(39,180)	(26,544)	(12,636)
(g) Nonadmitted capital DTAs	-	-	-
(h) Admitted capital DTAs	42,901	-	42,901
(i) Admitted DTAs	$42,901	$3,841	$39,060
3. DTLs:			
(a) Ordinary			
Allowance for billing adjustment	-	-	-
Other	-	8,161	(8,161)
Ordinary DTLs	-	8,161	(8,161)
(b) Capital			
Investments	8,665	5,748	2,917
Other	-	-	-
Capital DTLs	8,665	5,748	2,917
(c) Total DTLs	8,665	13,909	(5,244)
4. Net admitted DTAs	$34,236	$(10,068)	$44,304

The change in net deferred income taxes is comprised of the following:

	December 31, 2016	December 31, 2015	Change
Total DTAs	$42,901	$3,841	$39,060
Total DTLs	(8,665)	(13,909)	5,244
Net DTAs/(DTLs)	34,236	(10,068)	44,304
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			$44,304

The valuation allowance adjustment to gross DTAs was $1,118,547 and $2,130,661 for December 31, 2016 and 2015, respectively.

D. The provision for federal income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The items causing this difference were as follows:

	December 31, 2016	Effective tax rate	December 31, 2015	Effective tax rate
Provision computed at statutory rate	$(4,617,140)	35.0%	$(778,378)	35.0%
Health Insurer Fee	1,960,103	-14.9%	1,336,055	-60.1%
Transfer pricing adjustment	(1,765,501)	13.4%	(1,509,398)	67.9%
Tax exempt income	(255,541)	1.9%	(597,510)	26.9%

Change in nonadmitted assets	(165,134)	1.3%	533,721	-24.0%
Prior Year True-Up	(89,487)	0.7%	(171,897)	7.7%
Prior Period Adjustment	0	0.0%	(166,318)	7.5%
Change in statutory valuation allowance	(1,012,114)	7.7%	2,130,661	-95.8%
Other	4,337	-0.1%	593,920	-26.7%
Total	$(5,940,477)	45.0%	$1,370,856	-61.6%
Federal and foreign income tax expense incurred	(5,896,173)	44.7%	(81,656)	3.7%
Change in net deferred income taxes	(44,304)	0.3%	1,452,512	-65.3%
Total statutory income taxes	(5,940,477)	45.0%	1,370,856	-61.6%

The transfer pricing adjustment allows taxpayers to apply different methods to price current period intercompany services at arm's length prices as compared to what would be charged to an unrelated entity, which results in a permanent deduction for tax reporting purposes.

E.

1. At December 31, 2016, the Company had no net capital loss or net operating loss carryforwards for tax purposes.

2. The amount of federal income taxes incurred that is available for recoupment in the event of future net losses is $10,296 and $5,453 for the years ended December 31, 2016 and 2015, respectively.

3. The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2016 and 2015.

F.

1. At December 31, 2016, the Company's Federal Income Tax Return was consolidated with the following entities:

Aetna Inc. - Parent Company
@ Credentials Inc.
Active Health Management Inc.
Adminco, Inc.
Administrative Enterprises, Inc.
AE Fourteen Incorporated
Aetna ACO Holdings, Inc.
Aetna Better Health Inc. (Connecticut)
Aetna Better Health Inc. (Florida)
Aetna Better Health Inc. (Georgia)
Aetna Better Health Inc. (Illinois)
Aetna Better Health Inc. (New Jersey)
Aetna Better Health Inc. (New York)
Aetna Better Health Inc. (Ohio)
Aetna Better Health Inc. (Pennsylvania)
Aetna Better Health Inc. (Tennessee)
Aetna Better Health of California Inc.
Aetna Better Health of Iowa Inc.
Aetna Better Health of Kentucky Insurance Company
Aetna Better Health of Michigan Inc.
Aetna Better Health of Missouri LLC
Aetna Better Health of Texas Inc.
Aetna Better Health, Inc. (Louisiana)
Aetna Dental Inc. (New Jersey)
Aetna Dental Inc. (Texas)
Aetna Dental of California Inc.
Aetna Health and Life Insurance Company
Aetna Health Finance, Inc.
Aetna Health Inc. (Connecticut)
Aetna Health Inc. (Florida)
Aetna Health Inc. (Georgia)
Aetna Health Inc. (Iowa)
Aetna Health Inc. (Louisiana)
Aetna Health Inc. (Maine)
Aetna Health Inc. (Michigan)
Aetna Health Inc. (New Jersey)
Aetna Health Inc. (New York)
Aetna Health Inc. (Pennsylvania)
Aetna Health Inc. (Texas)
Aetna Health Insurance Company
Aetna Health Insurance Company of New York
Aetna Health of California Inc.
Aetna Health of Utah Inc.
Cofinity, Inc.
Corporate Benefit Strategies, Inc.
Coventry Consumer Advantage, Inc.
Coventry Financial Management Services, Inc.
Coventry Health and Life Insurance Company
Coventry Health Care National Accounts, Inc.
Coventry Health Care National Network, Inc.
Coventry Health Care of Delaware, Inc.
Coventry Health Care of Florida, Inc.
Coventry Health Care of Georgia, Inc.
Coventry Health Care of Illinois, Inc.
Coventry Health Care of Kansas, Inc.
Coventry Health Care of Missouri, Inc.
Coventry Health Care of Nebraska, Inc.
Coventry Health Care of Pennsylvania, Inc.
Coventry Health Care of Texas, Inc.
Coventry Health Care of the Carolinas, Inc.
Coventry Health Care of Virginia, Inc.
Coventry Health Care of West Virginia, Inc.
Coventry Health Care Workers Compensation, Inc.
Coventry Health Plan of Florida, Inc.
Coventry HealthCare Management Corporation
Coventry Prescription Management Services, Inc.
Coventry Rehabilitation Services, Inc.
Coventry Transplant Network, Inc.
Delaware Physicians Care, Incorporated
Echo Merger Sub, Inc.
First Health Group Corp.
First Health Life and Health Insurance Company
First Script Network Services, Inc.
Florida Health Plan Administrators, LLC
FOCUS Healthcare Management, Inc.
Group Dental Service of Maryland, Inc.
Group Dental Service, Inc.
Health and Human Resource Center, Inc.
Health Data & Management Solutions, Inc.
Health Re, Incorporated
HealthAmerica Pennsylvania, Inc.
HealthAssurance Financial Services, Inc.
HealthAssurance Pennsylvania, Inc.
Managed Care Coordinators, Inc.
Medicity Inc.
Mental Health Associates, Inc.

Aetna HealthAssurance Pennsylvania Inc.
Aetna Insurance Company of Connecticut
Aetna Integrated Informatics, Inc.
Aetna International Inc.
Aetna Ireland Inc.
Aetna Life & Casualty (Bermuda) Ltd.
Aetna Life Assignment Company
Aetna Life Insurance Company
Aetna Risk Assurance Company of Connecticut, Inc.
Aetna Risk Indemnity Company Limited
Aetna Student Health Agency Inc.
AHP Holdings, Inc.
Allviant Corporation
American Health Holding, Inc.
AUSHC Holdings, Inc.
Broadspire National Services, Inc.
Mental Health Network of New York IPA, Inc.
Meritain Health, Inc.
MetraComp, Inc.
MHNet Life and Health Insurance Co.
MHNet of Florida, Inc.
Niagara Re, Inc.
PayFlex Holdings, Inc.
PayFlex Systems USA, Inc.
Performax, Inc.
Precision Benefit Services, Inc.
Prime Net, Inc.
Prodigy Health Group, Inc.
Professional Risk Management, Inc.
Resources for Living, LLC
Schaller Anderson Medical Administrators, Incorporated

2. As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.

G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information concerning Parent, subsidiaries, affiliates, and other related parties

A., B. and C.

The Company did not pay any dividends in 2016 or 2015. The Company did not receive any capital contributions in 2016 or 2015.

D. Amounts due to and due from affiliates shown in the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and transactions related to its administrative services agreement with Aetna Health Management, LLC ("AHM"), indirectly a wholly-owned subsidiary of Aetna.

At December 31, 2016 and 2015, the Company had the following amounts due to and due from affiliates, which exclude amounts related to pharmacy rebate transactions as discussed more fully in Note 28 and the Company's reinsurance agreement:

	December 31, 2016	December 31, 2015
Amounts due to affiliates		
Coventry Health and Life Insurance Co.	$523,497	$559,999
Aetna Health Inc. (FL)	98,851	-
Group Dental Services Inc.	5,748	14,134
Coventry Prescription Management Service	4,877	-
	$632,973	$574,133
Amounts due from affiliates		
Aetna Health Management, LLC	$5,070,204	$6,296,544
Coventry Health Care of Nebraska, Inc.	256	-
	$5,070,460	$6,296,544

The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

E. At December 31, 2016, the Company has a guarantor agreement with Aetna. The agreement provides that in the event of the Company's insolvency, Aetna will pay all expenses and claims incurred by the Company during insolvency pursuant to the obligation with employer groups and subscribers until the end of the subscription contract period for which premiums have been received.

F. As of and for the years ended December 31, 2016 and 2015, the Company had the following significant transactions with affiliates:

The Company and AHM are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the agreement. Under the agreement, this true-up is due to be settled with the affiliate by April 15th of the following contract year (which is January 1 to December 31 annually). The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter. For these services, the Company was charged the following:

	2016	2015
Administrative service fee	$29,670,722	$33,912,340

Current year estimated accrued true-up	-	-
Total administrative service fee	$29,670,722	$33,912,340

These agreements also provide for interest on all intercompany balances. Interest incurred on amounts due to affiliates was $59,241 in 2016 and $50,676 in 2015.

The Company is a party to an agreement which enables the Company to receive manufacturers' pharmacy rebates from AHM under which the Company remits a percentage of its earned pharmaceutical rebates to AHM as a fee. The Company earned pharmaceutical rebates of $1,157,509 and $1,291,970, which were recorded as a reduction of medical costs, in 2016 and 2015, respectively. The Company was charged $96,042 and $129,198, which were recorded as administrative expenses, for these services in 2016 and 2015, respectively. At December 31, 2016 and 2015, the Company reported $43,376 and $0, respectively, as amounts due from AHM related to the pharmaceutical rebates which were reflected in health care and other amounts receivable. The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

The amounts reported on the Underwriting and Investment Exhibit, Part 3 represent the expenses incurred under the terms of the administrative agreement, allocated to the Company in accordance SSAP No. 70 - *Allocation of Expenses* ("SSAP No. 70"). SSAP No. 70 states "shared expenses, including expenses under the terms of a management contract, shall be apportioned to the entities incurring the expense as if the expense had been paid solely by the incurring entity. The apportionment shall be completed based upon specific identification to the entity incurring the expense. Where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios." The Company allocates these expenses based upon a percentage calculated using actual general and administrative expenses incurred by AHM.

The Company is a party to an agreement with Coventry Prescription Management Services, Inc. ("CPMS"). For the Company's commercial business, CPMS pays pharmacy claims on the Company's behalf. The Company pays a monthly fee to CPMS for services provided during that month which is calculated using a per member per month ("PMPM") administrative rate. The PMPM rate changes yearly and the amendments are approved each year by the Iowa Insurance Division. All payments by the Company to CPMS are reduced by a PMPM rebate credit. The Company paid CPMS $39,987,043 and $40,418,795 in capitation fees for the years ended December 31, 2016 and 2015, respectively. CPMS paid the Company $4,035,730 and $2,932,848 in pharmacy rebates for the years ended December 31, 2015 and 2014, respectively.

MHNet Specialty Services, L.L.C. (MHNet), a related party, provides mental health services to the Company's members. The Company pays MHNet a monthly fee based on a per member per month capitation rate. The rate is amended annually and the amendments are approved by the Iowa Insurance Division. The Company paid MHNet $3,647,169 and $5,809,448 in capitation fees for the years ended December 31, 2016 and 2015, respectively.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All federal income tax receivables/payables are due from/due to Aetna.

The Company has coverage for certain litigation exposures ($10,000,000 per claim and in the aggregate including defense costs) through an affiliated captive insurance company.

Effective June 1, 2016, the Company entered into a Sale and Purchase Agreement with Aetna Health Inc. (a Florida Corporation) ("AHI-FL"), indirectly a wholly-owned subsidiary of Aetna, whereby, the Company assigned, sold, transferred and set over to AHI-FL all of their assets and liabilities arising out of or relating to the Company's operation of Medicare Advantage plans, whether arising before, on or after the date of the agreement.

G. All outstanding shares of the Company are owned by Aetna Health Holdings, LLC, whose ultimate parent is Aetna.

H. At December 31, 2016, the Company did not own shares of any upstream intermediate of Aetna.

I. At December 31, 2016, the Company did not hold any investments in any subsidiary, controlled or affiliated ("SCA") entity that exceeded 10% of the Company's admitted assets.

J. At December 31, 2016, the Company did not hold any investments in any impaired SCA entity.

K. At December 31, 2016, the Company did not hold any investments in any foreign insurance subsidiaries.

L. 1. and 2.

At December 31, 2016 the Company did not hold any investments in any downstream noninsurance holding company.

11. <u>Debt</u>

A. The Company did not have any items related to debt, including capital notes at December 31, 2016.

B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2016.

12. Retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2016 or 2015.

13. Capital and surplus, shareholders' dividend restrictions and quasi-reorganizations

(1) The Company had 1,000,000 shares of common stock with a par value of $5 per share authorized, with 253,567 shares issued and outstanding at December 31, 2016 and 2015.

(2) The Company had no shares of preferred stock issued and outstanding at December 31, 2016 and 2015.

(3) Dividend restrictions

Dividends on the Company's common capital stock are paid as declared by its Board of Directors, from earned surplus of the Company, not including surplus arising from the sale of stock. Generally, dividends may be paid on the Company's common capital stock without obtaining regulatory approval at an amount up to the greater of: a) the prior year net gain from operations, or b) ten percent of the prior year end capital and surplus. In addition, the minimum Risk Based Capital requirements of the NAIC and, if applicable, the Iowa Department of Insurance must be maintained.

(4) The Company did not pay any dividends in 2016 or 2015. The Company did not receive any capital contributions from its parent in 2016. The Company received capital contributions from its parent of $16,000,000 on December 28, 2015.

(5) Within the limitations of (3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to the stockholder.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus was being held at December 31, 2016 or 2015, except as noted in Note 21.

(7) Not applicable to the Company.

(8) The Company did not hold any stock for any special purposes at December 31, 2016 or 2015.

(9) Changes in the balances of special surplus funds from the prior year are due to the accrual of estimated ACA health insurer fees reclassified from unassigned funds or surplus to aggregate write-ins for special surplus funds as discussed more fully in Note 1.C and Note 22.

(10) The Company did not have any unassigned funds (surplus) that was represented or reduced by unrealized gains and losses at December 31, 2016 or 2015.

(11) The Company has not issued any surplus notes or debentures or similar obligations at December 31, 2016 or 2015.

(12) The Company did not participate in any quasi-reorganizations during the statement year.

(13) The Company did not participate in any quasi-reorganizations in the past 10 years.

14. Liabilities, contingencies and assessments

A. The Company did not have any contingent commitments at December 31, 2016 or 2015.

B. Assessments

Guaranty fund assessments

Under guaranty fund laws existing in all states, insurers doing business in those states can be assessed (in most states up to prescribed limits) for certain obligations of insolvent insurance companies to policyholders and claimants. The life and health insurance guaranty associations in which Aetna and certain of its affiliates, including the Company (collectively, "we", "our", or "us") participate that operate under these laws respond to insolvencies of long-term care insurers as well as health insurers. Our assessments generally are based on a formula relating to our health care premiums in the state compared to the premiums of other insurers. Certain states allow assessments to be recovered over time as offsets to premium taxes. Some states have similar laws relating to HMOs and/or other payors such as not-for-profit consumer-governed health plans established under Health Care Reform.

C. The Company did not have any gain contingencies at December 31, 2016 or 2015.

D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2016 or 2015.

E. The Company did not have any joint and several liability arrangements at December 31, 2016 or 2015.

F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books. The Company has coverage for certain litigation exposures ($10,000,000 per claim and in the aggregate including defense costs) through an unaffiliated insurance company.

15. Leases

The Company did not have any material lease obligations at December 31, 2016 or 2015.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2016 or 2015.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

(1) The Company did not have any transfers of receivables as sales for the years ending December 31, 2016 and 2015.

B. Transfer and servicing of financial assets

(1) The Company's policy for requiring collateral or other security for security lending transactions as required in SSAP No. 103 is discussed in Note 1. The Company did not have any loaned securities at December 31, 2016 and 2015.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2016 or 2015.

(4) The Company did not have any securitized financial assets at December 31, 2016 or 2015.

(5) The Company did not have any transfers of financial assets at December 31, 2016 or 2015.

(6) The Company did not have any transfers of receivables with recourse at December 31, 2016 or 2015.

(7) The Company did not have any repurchase or reverse repurchase agreements at December 31, 2016 or 2015.

C. Wash sales

(1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2015 and reacquired within 30 days of the sale date are:

The Company did not have any wash sales at December 31, 2016 or 2015.

18. Gain or loss to the HMO from uninsured plans and the uninsured portion of partially insured plans

A. Administrative Services Only Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2016:

		ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$121,370	$ -	$121,370
b.	Total net other income or expenses (including interest paid to or received from plans)	-	-	-
c.	Net gain or (loss) from operations	$121,370	$ -	$121,370
d.	Total claim payment volume	-	-	-

B. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2016.

C. At December 31, 2016 and 2015, the Company had reinsurance, low-income subsidy (cost sharing portion), and CMS coverage gap discount receivables of $0 and $859,908, respectively, from Centers for Medicare & Medicaid Services ("CMS"), which are accounted for as amounts receivable relating to uninsured plans on the Statutory Statements of Assets, as per SSAP No. 47 - *Uninsured Plans*. The Company had no liability for amounts held under uninsured plans at December 31, 2016 or 2015. These items relate to the Company's Medicare product offerings.

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2016 and 2015.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2016 or 2015.

C. Certain of the Company's financial instruments are measured at fair value in the financial statements. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by U.S. generally accepted accounting principles. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting our own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Company's financial instruments at December 31, 2016 and 2015 were as follows:

December 31, 2016

	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	$ 52,534,308	$ 51,955,253	$ 9,878,527	$ 42,655,781	$ -	$ -

December 31, 2015

	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	$48,322,349	$47,337,142	$6,579,810	$41,742,539	$ -	$ -

The valuation methods and assumptions used by the Company in estimating the fair value of debt securities are discussed in Note 1.

There were no material realized and unrealized capital gains, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2016 or 2015. There were no transfers between the Company's Level 1 or 2 financial assets during 2016 or 2015.

In evaluating the Company's management of interest rate and liquidity risk and currency exposures, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2016 and 2015.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2016 and 2015.

C. Other disclosures and unusual items

(1) Minimum capital and surplus

Pursuant to the laws of the states in which the Company is licensed to do business, the Company is required to maintain a minimum surplus and capital stock as defined by the statutes and regulations of those states. At both December 31, 2016 and 2015, the Company was in compliance with the minimum surplus and capital stock requirements of the states in which it is licensed to do business.

The NAIC and the State of Iowa adopted risk-based capital ("RBC") standards for health organizations, including HMOs, that are designed to identify weakly capitalized companies by comparing each company's adjusted capital and surplus to its required capital and surplus (the "RBC Ratio"). The RBC Ratio is designed to reflect the risk profile of the company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC Ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2016 and 2015, the Company had capital and surplus that exceeded the highest threshold specified by the RBC rules.

(2) Health Care Reform

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (as amended, collectively, "Health Care Reform" or "ACA"), has made broad-based changes to the U.S. health care system. On January 20, 2017, the President signed an executive order that gives the regulatory agencies that enforce the ACA the authority to interpret regulations issued under the ACA in a way that limits fiscal burdens on states and financial or regulatory burdens on individuals, providers, health insurers and others. The practical implications of that order are unclear, and the future of the ACA is uncertain. While we anticipate efforts in 2017 and beyond to substantially modify, repeal or replace the ACA, the Company expects aspects of the ACA to continue to significantly impact the Company's business operations and operating results, including the Company's pricing, medical benefit ratios and the geographies in which the Company's products are available. Health Care Reform has presented the Company with business opportunities, but also with financial and regulatory challenges. Most of the ACA's key components were phased in during or prior to 2014, including Public Exchanges, required minimum MLRs in commercial and Medicare products, the individual coverage mandate, guaranteed issue, rating limits in individual and small group products, significant new industry-wide fees, assessments and taxes, enhanced premium rate review and disclosure processes, reduced Medicare Advantage payment rates to insurers, and linking Medicare Advantage payments to a plan's CMS quality performance ratings or "star ratings." The effects of these changes are reflected in the Company's operating results. If the ACA is not amended, repealed or replaced, certain of its components will continue to be phased in until 2020.

The Company has dedicated and expects to continue to be required to dedicate significant resources and incur significant expenses during 2017 to implement and comply with Health Care Reform and changes in Health Care Reform as well as state level health care reform. While most of the significant aspects of Health Care Reform became effective during or prior to 2014, significant parts of Health Care Reform, including aspects of nondiscrimination requirements, continue to evolve through the promulgation of executive orders, regulations and guidance. Additional changes to Health Care Reform and those regulations and guidance at the federal and/or state level are likely, and those changes are likely to be significant. Growing state and federal budgetary pressures make it more likely that any changes, including changes at the state level in response to changes to, or repeal or replacement of, Health Care Reform and/or changes in the funding levels and/or payment mechanisms of federally supported benefit programs, will be adverse to us. Given the inherent difficulty of foreseeing the nature and scope of future changes to Health Care Reform and how states, businesses and individuals will respond to those changes, the Company cannot predict the impact to the Company of future changes to Health Care Reform. It is reasonably possible that repeal or replacement of or other changes to Health Care Reform and/or states' responses to such changes, in the aggregate, could have a significant adverse effect on the Company's business operations and financial results.

Potential repeal of Health Care Reform, ongoing legislative and regulatory changes to Health Care Reform, other pending efforts in the U.S. Congress to amend or restrict funding for various aspects of Health Care Reform (including risk corridors and Health Care Reform's Cost Sharing Subsidy program), the results of the 2016 presidential, congressional and state level elections, pending litigation challenging aspects of the law and federal budget negotiations continue to create uncertainty about the ultimate impact of Health Care Reform. Examples of recent legislative and regulatory changes include: the January 20, 2017 executive order relating to Health Care Reform; the November 2016 HHS announcement that risk corridor collections for the 2015 program year will be applied first to amounts owed to plans for the 2014 program year; the May 2016 final regulations relating to Health Care Reform's non-discrimination requirements; the December 2015 suspension of the health insurer fee for 2017 and two year delay of the "Cadillac" tax on high-cost employer-sponsored health coverage; the October 2015 PACE, which leaves groups with 51 to 100 employees within the large group category for each state unless the state exercises its option to include these groups within the small group category; and the October 2015 HHS announcement that Health Care Reform's risk corridor receivables for the 2014 program year would only be funded at 12.6%. With respect to pending litigation, in May 2016, the U.S. District Court for the District of Columbia ruled that the U.S. Department of Health and Human Services does not have the authority to make payments under Health Care Reform's Cost Sharing Subsidy program. Implementation of this decision has been stayed pending appeal. A final ruling that adversely impacts the Cost Sharing Subsidy program could cause significant adverse selection in individual Public Exchange products and instability in the individual Public Exchange marketplace and could have a material adverse effect on the Company's business, cash flows, financial condition and operating results as well as hinder the Company's ability to offer Public Exchange products.

As described above, the availability of funding for Health Care Reform's temporary risk corridor program is an example of this uncertainty. The Company continues to believe that receipt of any risk corridor payment from HHS for the 2016 or 2015 program year and receipt of such payments in excess of the announced prorated amount for the 2014 program year are uncertain. At December 31, 2016, the Company had a $24,803 receivable for the remaining 2014 program year prorated amount that had not been collected from HHS and had no receivable for either of the 2015 or 2016 program years. In addition, these limited risk corridor payments created additional instability in the marketplace for individual commercial products in 2016 and going forward by contributing to decisions by health plans to change or stop offering their Public Exchange products. 2016 was the last program year for Health Care Reform's risk corridor program. On-going uncertainty regarding the funding of Health Care Reform-related programs and subsidies can be expected to create additional instability in the marketplace.

In addition to efforts to amend, repeal or replace Health Care Reform and the related regulations, the federal and state governments also continue to enact and seriously consider many other broad-based legislative and regulatory proposals that have had a material impact on or could materially impact various aspects of the health care and related benefits system and the Company's business. The Company cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations, will change various aspects of the health care and related benefits system or Health Care Reform or the impact those changes will have on the Company's business operations or operating results, but the effects could be materially adverse.

In addition, Health Care Reform ties a portion of each Medicare Advantage plans' reimbursement to the achievement of favorable CMS quality performance measures ("star ratings"). Since 2015, only Medicare Advantage plans with an overall star rating of four or more stars (out of five stars) are eligible for a quality bonus in their basic premium rates. As a result, the Company's Medicare Advantage plans' operating results in 2017 and going forward will be significantly affected by their star ratings.

(3) Medicare

The Company's Medicare Advantage and Standalone Prescription Drug Plan ("PDP") products are regulated by CMS. The regulations and contractual requirements applicable to the Company and other participants in Medicare programs are complex, expensive to comply with and subject to change. For example, in the second quarter of 2014, CMS issued a final rule implementing the Health Care Reform requirements that Medicare Advantage and PDP plans report and refund to CMS overpayments that those plans receive from CMS. The precise interpretation, impact and legality of this rule are not clear and are subject to pending litigation. In that same rule, CMS also changed in some respects how the Company can pay pharmacies in 2016 that impacts the Company's Medicare Advantage and PDP products. The Company has invested significant resources to comply with Medicare standards, and the Company's Medicare compliance efforts will continue to require significant resources. CMS may seek premium and other refunds, prohibit the Company from continuing to market and/or enroll members in or refuse to passively enroll members in one or more of the Company's Medicare or Medicare-Medicaid demonstration (historically known as "dual eligible") plans, exclude the Company from participating in one or more Medicare or dual eligible programs and/or institute other sanctions against the Company if the Company fails to comply with CMS regulations or the Company's Medicare contractual requirements.

D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2016 or 2015.

E. The Company did not have any transferable and non-transferable state tax credits for the years ending December 31, 2016 or 2015.

F. The Company did not have any subprime mortgage related risk exposures at December 31, 2016 or 2015.

G. The Company did not have any retained assets at December 31, 2016 or 2015.

H. The Company did not have any insurance-linked securities ("ILS") contracts at December 31, 2016 or 2015.

22. Events subsequent

A. Type I - Recognized subsequent events

Subsequent events have been considered through February 27, 2017 for the statutory statement issued on March 1, 2017.

The Company had no known reportable recognized subsequent events.

B. Type II - Nonrecognized subsequent events

Subsequent events have been considered through February 27, 2017 for the statutory statement issued on March 1, 2017.

As discussed in Note 1, in December 2015, the Consolidated Appropriation Act was enacted which included a one year suspension in 2017 of the health insurer fee. As a result, there is no annual health insurance industry fee payable on September 30, 2017 and there are no amounts reflected in the Company's aggregate write-ins for special surplus funds related to this payable at December 31, 2016 as a result. There is also no resulting impact to the Company's risk based capital ("RBC") to assess as of December 31, 2016 as a result of this suspension.

		Current year	Prior year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	NO	
B.	ACA fee assessment payable for upcoming year	$ -	$5,710,000
C.	ACA fee assessment paid	$5,600,294	$3,817,300
D.	Premium written subject to ACA 9010 assessment	$ -	$ 313,907,617
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	$ -	
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	$ -	
G.	Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	$ -	
H.	Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level (YES/NO)?	NO	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes ( ) No (X)
If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes ( ) No (X)
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premium or other similar credit?
Yes ( ) No (X)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.

$ N/A .

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?
$ N/A .

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes ( ) No (X)
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
$ N/A .

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes ( ) No (X)
If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? $ N/A .

B. The Company did not have uncollectible reinsurance at December 31, 2016.

C. The Company did not have any commutation of ceded reinsurance at December 31, 2016.

D. The Company's certified reinsurer's rating has not been downgraded or its status subject to revocation at December 31, 2016.

24. Retrospectively rated contracts and contracts subject to redetermination

A. Through annual contracts with CMS, the Company offers HMO plans for Medicare-eligible individuals through the Medicare Advantage program. Members typically receive enhanced benefits over standard Medicare fee-for-service coverage, including reduced cost-sharing for preventative care, vision and other non-Medicare services. Members also typically receive coverage for certain prescription drugs, usually subject to a deductible, co-insurance and/or co-payment. The revenues ultimately received by the Company for each member are based on that member's health status and demographic characteristics, as determined via the CMS risk adjustment process, under which the Company regularly submits risk adjustment data to CMS. As such, at December 31, 2016 the Company records a receivable for future revenues that it expects to receive from CMS in the third quarter of 2017, after the final reconciliation of risk adjustment data for contract year 2016 is complete. The Company estimates this receivable by taking into account risk adjustment data for contract year 2016 submitted to CMS prior to December 31, 2017, as well as its estimate of the impact of risk adjustment data for contract year 2016 that will be submitted prior to the appropriate regulatory deadline in early 2017. These amounts are recognized in 2016 as premiums under contracts subject to redetermination. In addition, the Company's Medicare Advantage contracts are subject to retrospective rating provisions under which the Company and CMS share in amounts above and below agreed-upon target medical benefit ratios.

B. These accrued retrospective premiums, if any, are recorded through premiums and are estimated based on calculations that compare the Company's expected financial results for the contract against the appropriate medical benefit ratio target. The Company had net premiums written of $18,064,493 and $34,799,986 related to its agreements with CMS for the years ending December 31, 2016 and 2015, respectively, representing 7.5% for 2016 and 11.2% for 2015 of total premium revenue. The Company had net premiums receivable of $0 and $1,058,832 related to its agreements with CMS at December 31, 2016 and 2015 respectively, representing 0% for 2016 and 8.9% for 2015 of total premiums receivable.

C. Contracts subject to redetermination

The Company accrues amounts payable to or receivable from the federal government related to its contracts with the OPM to provide or arrange health services under the FEHB program for federal employees, annuitants and their dependents. These contracts with the OPM and applicable government regulations establish premium rating requirements for the FEHB program. At December 31, 2016 and 2015, the Company had premiums related to its contracts with the OPM of $(649,663) and $14,934,356, respectively, representing (0.3)% and 4.8% of the Company's total premiums at December 31, 2016 and 2015, respectively.

The OPM, through its Office of the Inspector General, conducts periodic audits of its contractors to, among other things, verify that the premiums charged to the OPM were established in compliance with the community rating and other requirements under the FEHB program. These audits often result in findings for which the Company establishes a specific reserve. For those years under contract which have not been audited by the

OPM, the Company establishes a general audit liability which is the result of a historical study of average audit payments. In addition, for all years under contract, the Company annually performs rate reconciliations which may result in amounts owed to or receivable from the OPM.

Audit findings, historical study of audit payments, and rate reconciliations have resulted in reserves of $901,085, which were recorded as aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at both December 31, 2016 and 2015.

The Company contracts with OPM to provide managed health care services under the FEHB program in their service areas. OPM regulations require that FEHB plans meet a FEHB program-specific MLR by plan code and market. The Company did not record any estimates of minimum FEHB program MLR rebates in 2016 or 2015. The Company paid did not pay any FEHB program MLR rebates in 2016 for the year 2015. The Company did not pay any FEHB program MLR rebates in 2015 for the year 2014.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual MLR were not met in the prior year. The Company's results for full-year 2016 and 2015 included an estimate of $4,810,121 and $0, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus. The Company paid $1,512,471 of minimum MLR rebates in 2016 for the year 2015. The Company paid $0 of minimum MLR rebates in 2015 for the year 2014.

	Individual	Small group employer	Large group employer	Other categories with rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	$ -	$ -	$ -	$ -	$ -
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	-	-	-	-	-
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	-
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	$ -	$ -	$6,322,592	$ -	$6,322,592
(8) Medical loss ratio rebates paid	-	-	1,512,471	-	1,512,471
(9) Medical loss ratio rebates unpaid	-	-	4,810,121	-	4,810,121
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	4,810,121

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the ACA risk sharing provisions (YES/NO)? YES

Line items below where the amount is zero are due to no activity as of the reporting date.

(2) Impact of Risk Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue and Expenses for the Current Year:

	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	$ -
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	$75,361
3. Premium adjustments payable due to ACA Risk Adjustment	$16,602,670

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$(18,255,430)
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	73,617

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance	$8,722,988
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	$305,313
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	$ -

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance not reported as ceded premium	$307,600
5. Ceded reinsurance premiums payable due to ACA Reinsurance	$ -
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	$ -

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance	$912,520
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	$7,446,309
9. ACA Reinsurance contributions - not reported as ceded premium	$625,478

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors	$24,803

Liabilities

2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	$ -

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income (paid/received)	$86,480
4. Effect of ACA Risk Corridors on change in reserves for rate credits	$ -

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	Accrued during the prior year on business written before December 31 of the prior year		Received or paid as of the current year on business written before December 31 of the prior year	
	1	2	3	4
	Receivable	(Payable)	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program				
1. Premium adjustments receivable	$469,941	-	$287,239	-
2. Premium adjustments (payable)	-	$(9,310,050)	-	$(10,780,079)
3 Subtotal ACA Permanent Risk Adjustment Program	$469,941	$(9,310,050)	$287,239	$(10,780,079)
b. Transitional ACA Reinsurance Program				
1. Amounts recoverable for claims paid	$18,175,313	-	$20,924,191	-
2. Amounts recoverable for claims unpaid (contra liability)	4,330,869	-	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-
4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium	-	$(791,281)	-	$(791,281)
5. Ceded reinsurance premiums payable	-	-	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-
7. Subtotal ACA Transitional Reinsurance Program	$22,506,182	$(791,281)	$20,924,191	$(791,281)
c. Temporary ACA Risk Corridors Program				
1. Accrued retrospective premium	$47,895	-	$109,572	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-
3. Subtotal ACA Risk Corridors Program	$47,895	-	$109,572	-
d. Total for ACA Risk Sharing Provisions	$23,024,018	$(10,101,331)	$21,321,002	$(11,571,360)

	Differences		Adjustments		
	Prior year accrued less payments (Col 1 - 3)	Prior year accrued less payments (Col 2 - 4)	To prior year balances	To prior year balances	
	5	6	7	8	
	Receivable	(Payable)	Receivable	(Payable)	Ref
a. Permanent ACA Risk Adjustment Program					
1. Premium adjustments receivable	$182,702	-	$(182,702)	-	A
2. Premium adjustments (payable)	-	$(1,470,029)	-	$1,470,029	A
3 Subtotal ACA Permanent Risk Adjustment Program	$182,702	$(1,470,029)	$(182,702)	$1,470,029	
b. Transitional ACA Reinsurance Program					
1. Amounts recoverable for claims paid	$(2,748,878)	-	$5,328,074	-	B
2. Amounts recoverable for claims unpaid (contra liability)	$4,330,869	-	$(4,330,869)	-	B
3. Amounts receivable relating to uninsured plans	-	-	-	-	N/A
4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium	-	-	-	-	N/A
5. Ceded reinsurance premiums payable	-	-	-	-	N/A
6. Liability for amounts held under uninsured plans	-	-	-	-	N/A
7. Subtotal ACA Transitional Reinsurance Program	$1,581,991	-	$997,205	-	
c. Temporary ACA Risk Corridors Program					
1. Accrued retrospective premium	$(61,677)	-	$86,480	-	C
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	N/A
3. Subtotal ACA Risk Corridors Program	$(61,677)	-	$86,480	-	
d. Total for ACA Risk Sharing Provisions	$1,703,016	$(1,470,029)	$900,983	$1,470,029	

	Unsettled balances as of the reporting date	
	Cumulative balance from prior years (col 1 - 3 + 7)	Cumulative balance from prior years (col 2 - 4 + 8)
	9	10
	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program		
1. Premium adjustments receivable	-	-
2. Premium adjustments (payable)	-	-
3 Subtotal ACA Permanent Risk Adjustment Program	-	-
b. Transitional ACA Reinsurance Program		
1. Amounts recoverable for claims paid	$2,579,196	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-
3. Amounts receivable relating to uninsured plans	-	-
4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium	-	-
5. Ceded reinsurance premiums payable	-	-
6. Liability for amounts held under uninsured plans	-	-
7. Subtotal ACA Transitional Reinsurance Program	$2,579,196	-
c. Temporary ACA Risk Corridors Program		
1. Accrued retrospective premium	$24,803	-
2. Reserve for rate credits or policy experience rating refunds	-	-
3. Subtotal ACA Risk Corridors Program	$24,803	-
d. Total for ACA Risk Sharing Provisions	$2,603,999	-

(4) Roll-forward of Risk Corridor asset and liability balances by program benefit year.

	Accrued during the prior year on business written before December 31 of the prior year		Received or paid as of the current year on business written before December 31 of the prior year	
	1	2	3	4
	Receivable	(Payable)	Receivable	(Payable)
a. 2014				
1. Accrued retrospective premium	$47,895	-	$109,572	-
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-
b. 2015				
1. Accrued retrospective premium	-	-	-	-
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-
c. 2016				
1. Accrued retrospective premium	-	-	-	-
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-
d. Total for Risk Corridors	$47,895	-	$109,572	-

	Differences		Adjustments		
	Prior year accrued less payments (Col 1 - 3)	Prior year accrued less payments (Col 2 - 4)	To prior year balances	To prior year balances	
	5	6	7	8	
	Receivable	(Payable)	Receivable	(Payable)	Ref
a. 2014					
1. Accrued retrospective premium	$(61,677)	-	$86,480	-	C
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-	N/A
b. 2015					
1. Accrued retrospective premium	-	-	-	-	N/A
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-	N/A
c. 2016					
1. Accrued retrospective premium	-	-	-	-	N/A
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-	N/A
d. Total for Risk Corridors	$(61,677)	-	$86,480	-	

	Unsettled balances as of the reporting date	
	Cumulative balance from prior years (col 1 - 3 + 7)	Cumulative balance from prior years (col 2 - 4 + 8)
	9	10
	Receivable	(Payable)
a. 2014		
1. Accrued retrospective premium	$24,803	-
2. Reserve for rate credits for policy experience rating refunds	-	-
b. 2015		
1. Accrued retrospective premium	-	-
2. Reserve for rate credits for policy experience rating refunds	-	-
c. 2016		
1. Accrued retrospective premium	-	-
2. Reserve for rate credits for policy experience rating refunds	-	-
d. Total for Risk Corridors	$24,803	-

Explanations of adjustments

A. Due to updates to the data available to the Company to calculate the risk adjustment.
B. Due to additional claims run-out after the December 31, 2015 period.
C. Due to updated data available to the Company to calculate the risk corridor payables. Also includes the impact of the adjustments to the reinsurance recoveries and risk adjustments.

(5) ACA Risk Corridors Receivable as of reporting date.

	Risk Corridors program year	1 Estimated amount to be filed or final amount filed with CMS	2 Non-accrued amounts for impairment or other reasons	3 Amounts received from CMS
a.	2014	2,707,708	2,280,056	402,848
b.	2015	705,180	705,180	-
c.	2016	11,525,326	11,525,326	-
d.	Total (a+b+c)	14,938,214	14,510,562	402,848

	Risk Corridors program year	4 Asset balance (gross of non-admissions) (1-2-3)	5 Non-admitted amount	6 Net admitted asset (4-5)
a.	2014	24,804	-	24,804
b.	2015	-	-	-
c.	2016	-	-	-
			-	
d.	Total (a+b+c)	24,804	-	24,804

25. Change in incurred claims and claims adjustment expense

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ended December 31, 2016 and 2015.

	2016	2015
Balance, January 1	$ 35,210,104	$ 27,935,185
Health care receivable	-	-
Balance, January 1, net of health care receivable	35,210,104	27,935,185
Incurred related to:		
Current year	208,675,560	264,435,231
Prior years	2,065,788	3,249,051
Total incurred	210,741,348	267,684,282
Paid related to:		
Current year	180,661,688	230,296,862
Prior years	35,872,006	30,112,501
Total paid	216,533,694	260,409,363
Balance, December 31, net of health care receivable	29,417,758	35,210,104
Health care receivable	43,376	-
Balance, December 31	$ 29,461,134	$ 35,210,104

In 2016, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years increased by $2,065,788 from $35,210,104 in 2015 to $37,275,892 in 2016. In 2015, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years increased by $3,249,051 from $27,935,185 in 2014 to $31,184,236 in 2015. The lower than anticipated health care cost trend rates observed in 2016 and 2015 for claims incurred in 2015 and 2014, respectively, were due to moderating outpatient and physician trends and faster than expected claim payment speed. The Company considers historical trend rates together with knowledge of recent events that may impact current trends when developing estimates of current trend rates. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Historical health care cost trend rates are not necessarily representative of current trends. The Company excluded the impact of the change in health care receivables related to pharmacy rebates from the above roll-forward to conform to NAIC Annual Statement presentation.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and could not be specifically identified.

26. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2016 or 2015.

27. Structured settlements

Not applicable to health entities.

28. Health care receivables

A. Pharmaceutical rebate receivables

The Company receives pharmaceutical rebates through an agreement with AHM. AHM has contractual agreements with pharmaceutical companies for rebates, which cover the Company's membership as well as the membership of other Aetna affiliates. The Company receives those rebates from AHM that relate to the Company's membership. The Company estimates pharmaceutical rebate receivables based upon the historical payment trends, actual utilization and other variables. Actual rebates collected are applied to the collection periods below, using a first in first out methodology. At December 31, 2016 and 2015, the Company had pharmaceutical rebate receivables of $43,376 and $0, respectively (refer to the Company's accounting practices related to pharmaceutical rebate receivables in Note 1).

The following table discloses the quarterly revenue and subsequent cash collections relating to the pharmaceutical rebates discussed in Note 10.

Quarter	Estimated pharmacy rebates as reported on financial statements	Pharmacy rebates as invoiced/ confirmed	Actual rebates collected within 90 days of invoicing/ confirmation	Actual rebates collected within 91 to 180 days of invoicing/ confirmation	Actual rebates collected more than 180 days after invoicing/ confirmation
12/31/2016	$101,822	-	$63,325 [1]	-	-
9/30/2016	$79,340	$76,414	$76,414	-	-
6/30/2016	$469,404	$468,207	$468,207	-	-
3/31/2016	$454,769	$511,065	$511,065	-	-
12/31/2015	356,623	-	234,603	-	-
9/30/2015	342,731	339,589	342,731	-	-
6/30/2015	316,068	339,500	316,068	-	-
3/31/2015	265,007	303,347	265,007	-	-
12/31/2014	-	-	-	-	-
9/30/2014	-	-	-	-	-
6/30/2014	-	-	-	-	-
3/31/2014	-	-	-	-	-

[1] Represents a portion of the estimated rebates for the quarter ending December 31, 2016, which were paid by AHM to the Company prior to December 31, 2016 and invoicing in 2017.

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2016 or 2015.

29. Participating policies

The Company did not have any participating policies at December 31, 2016 or 2015.

30. Premium deficiency reserves

	December 31, 2016
1. Liability carried for premium deficiency reserves	$0
2. Date of the most recent evaluation of this liability	12/31/2016
3. Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated salvage and subrogation

See discussion of hospital and medical costs and claims adjustment expenses and related reserves in Note 1.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Iowa

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/07/2016

3.4 By what department or departments?
Iowa Insurance Division

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, One Financial Plaza, 755 Main Street, Hartford, CT 06107

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
William R. Jones, FSA, MAAA, 151 Farmington Avenue, RE2R, Hartford, CT 06156

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
See Attachment

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal Only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal Only) $

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]

24.02 If no, give full and complete information relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0
24.103 Total payable for securities lending reported on the liability page. $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [ ] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements $
25.22 Subject to reverse repurchase agreements $
25.23 Subject to dollar repurchase agreements $
25.24 Subject to reverse dollar repurchase agreements $
25.25 Placed under option agreements $
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $
25.27 FHLB Capital Stock $
25.28 On deposit with states $
25.29 On deposit with other regulatory bodies $
25.30 Pledged as collateral - excluding collateral pledged to an FHLB $
25.31 Pledged as collateral to FHLB - including assets backing funding agreements $
25.32 Other $

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company	State Street Financial Center, One Lincoln Street, Boston, MA 02111-2907

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["…that have access to the investment accounts"; "…handle securities"]

1 Name of Firm or Individual	2 Affiliation
Kevin J. Casey as Senior Investment Officer	A

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [ ] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
N/A	Kevin J. Casey	N/A	Not registered	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	51,955,253	52,534,308	579,055
30.2 Preferred stocks	0		0
30.3 Totals	51,955,253	52,534,308	579,055

30.4 Describe the sources or methods utilized in determining the fair values:
See Attachment

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 15,269

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
COUNCIL FOR AFFORDABLE QUALITY HEALTHCARE	7,690

34.1 Amount of payments for legal expenses, if any? $ 312,152

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

Attachment A

December 31, 2016
General Interrogatories Responses

Question 14.21:

The key substantive changes include:

- Updated message from the Chairman
- Updated and expanded examples of conflicts of interest by increasing the threshold of stock ownership and adding running for, or holding, a public office
- Increased the business gift limit from $25.00 to $50.00
- Updated gift, reward, incentive and promotional program restrictions for members of government plans
- Added a section on employees' responsibility for their licensure and certification renewals
- Clarified the definition of 'social media' and expanded the rules for its use
- Updated guidance on protecting Aetna's intellectual property
- Expanded guidance regarding personal political contributions
- Clarified reporting requirements for government contract lobbying or procurement activities
- Introduced the requirement to report a felony conviction or plea to Investigative Services
- Added a section that specifically addresses Fraud, Waste and Abuse
- Added a section on proper supplier engagement process

There are also numerous non-substantive clarifying and conforming changes and updates to the factual information contained in the Code of Conduct, such as the level of giving by the Aetna Foundation since 1980, the inclusion of 'bullying' as a form of harassment, and the addition of anti-human trafficking, bribery and kickback laws relating to our government business.

Question 30.4:

Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short Term investments are carried at amortized cost which approximates fair value. The carrying value of cash equivalents which approximates fair value.

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	241,934,054	311,960,148
2.2	Premium Denominator	241,934,054	311,960,148
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	51,521,881	45,420,502
2.5	Reserve Denominator	51,521,881	45,420,502
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

5.2 If no, explain:

The Company is of sufficient size to absorb large losses and does not require reinsurance to protect against the occasional large claim.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $

5.32 Medical Only $

5.33 Medicare Supplement $

5.34 Dental & Vision $

5.35 Other Limited Benefit Plan $

5.36 Other $

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts contain hold harmless and continuity of coverage provisions.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 32,309

8.2 Number of providers at end of reporting year 26,786

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months $

9.22 Business with rate guarantees over 36 months $

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses $ 2,081,175
10.22 Amount actually paid for year bonuses $ 433,447
10.23 Maximum amount payable withholds $ 0
10.24 Amount actually paid for year withholds $ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]
11.14 A Mixed Model (combination of above)? Yes [ ] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus. Iowa
11.4 If yes, show the amount required. $ 1,000,000
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]
11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
License covers entire State of Iowa

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date. $

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [ ] No [X] N/A [ ]
14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written $
15.2 Total Incurred Claims $
15.3 Number of Covered Lives

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

FIVE-YEAR HISTORICAL DATA

		1 2016	2 2015	3 2014	4 2013	5 2012
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	87,496,304	96,874,642	70,866,030	46,503,996	43,146,146
2.	Total liabilities (Page 3, Line 24)	58,083,134	57,738,710	45,308,055	25,434,157	18,869,744
3.	Statutory minimum capital and surplus requirement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4.	Total capital and surplus (Page 3, Line 33)	29,413,170	39,135,932	25,557,975	21,069,839	24,276,402
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	240,427,327	311,389,870	198,523,521	118,631,177	110,626,685
6.	Total medical and hospital expenses (Line 18)	210,935,474	267,790,297	177,400,361	94,084,186	85,623,239
7.	Claims adjustment expenses (Line 20)	4,247,450	4,841,507	2,873,462	5,254,051	4,415,890
8.	Total administrative expenses (Line 21)	39,424,560	41,748,855	24,536,293	10,247,289	9,583,123
9.	Net underwriting gain (loss) (Line 24)	(14,180,157)	(2,990,789)	(6,286,595)	9,045,651	11,004,433
10.	Net investment gain (loss) (Line 27)	978,041	791,708	786,733	761,394	1,448,588
11.	Total other income (Lines 28 plus 29)	0	(30,303)	0	(4,282)	(3,092)
12.	Net income or (loss) (Line 32)	(7,295,647)	(2,142,276)	(3,628,282)	6,323,285	9,420,433
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	7,359,014	16,319,120	(11,695,732)	11,322,007	4,110,872
	Risk-Based Capital Analysis					
14.	Total adjusted capital	29,413,170	39,135,932	25,557,975	21,069,839	24,276,402
15.	Authorized control level risk-based capital	8,541,079	10,500,281	7,041,228	4,302,181	3,878,356
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	50,127	68,848	58,864	35,809	32,009
17.	Total members months (Column 6, Line 7)	686,635	902,114	641,951	404,376	372,946
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	87.7	86.0	89.4	79.3	77.5
20.	Cost containment expenses	1.5	1.1	1.0	2.4	2.3
21.	Other claims adjustment expenses	0.3	0.4	0.4	2.0	1.7
22.	Total underwriting deductions (Line 23)	105.9	101.0	103.2	92.4	90.2
23.	Total underwriting gain (loss) (Line 24)	(5.9)	(1.0)	(3.2)	7.6	10.0
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	36,550,735	30,353,063	9,817,121	7,247,675	9,545,285
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	34,484,946	27,104,012	9,584,493	8,579,592	10,388,040
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)		0	0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)		0	0	0	0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)		0	0	0	0
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate					
31.	All other affiliated					
32.	Total of above Lines 26 to 31	0	0	0	0	0
33.	Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	N							0	
4. Arkansas	AR	N							0	
5. California	CA	N							0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. District of Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	L	225,431,745	18,064,493		(649,663)			242,846,575	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	N							0	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	N							0	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	N							0	
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	N							0	
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	N							0	
37. Oklahoma	OK	N							0	
38. Oregon	OR	N							0	
39. Pennsylvania	PA	N							0	
40. Rhode Island	RI	N							0	
41. South Carolina	SC	N							0	
42. South Dakota	SD	N							0	
43. Tennessee	TN	N							0	
44. Texas	TX	N							0	
45. Utah	UT	N							0	
46. Vermont	VT	N							0	
47. Virginia	VA	N							0	
48. Washington	WA	N							0	
49. West Virginia	WV	N							0	
50. Wisconsin	WI	N							0	
51. Wyoming	WY	N							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	N							0	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CAN	N							0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal		XXX	225,431,745	18,064,493	0	(649,663)	0	0	242,846,575	0
60. Reporting entity contributions for Employee Benefit Plans		XXX							0	
61. Total (Direct Business)		(a) 1	225,431,745	18,064,493	0	(649,663)	0	0	242,846,575	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

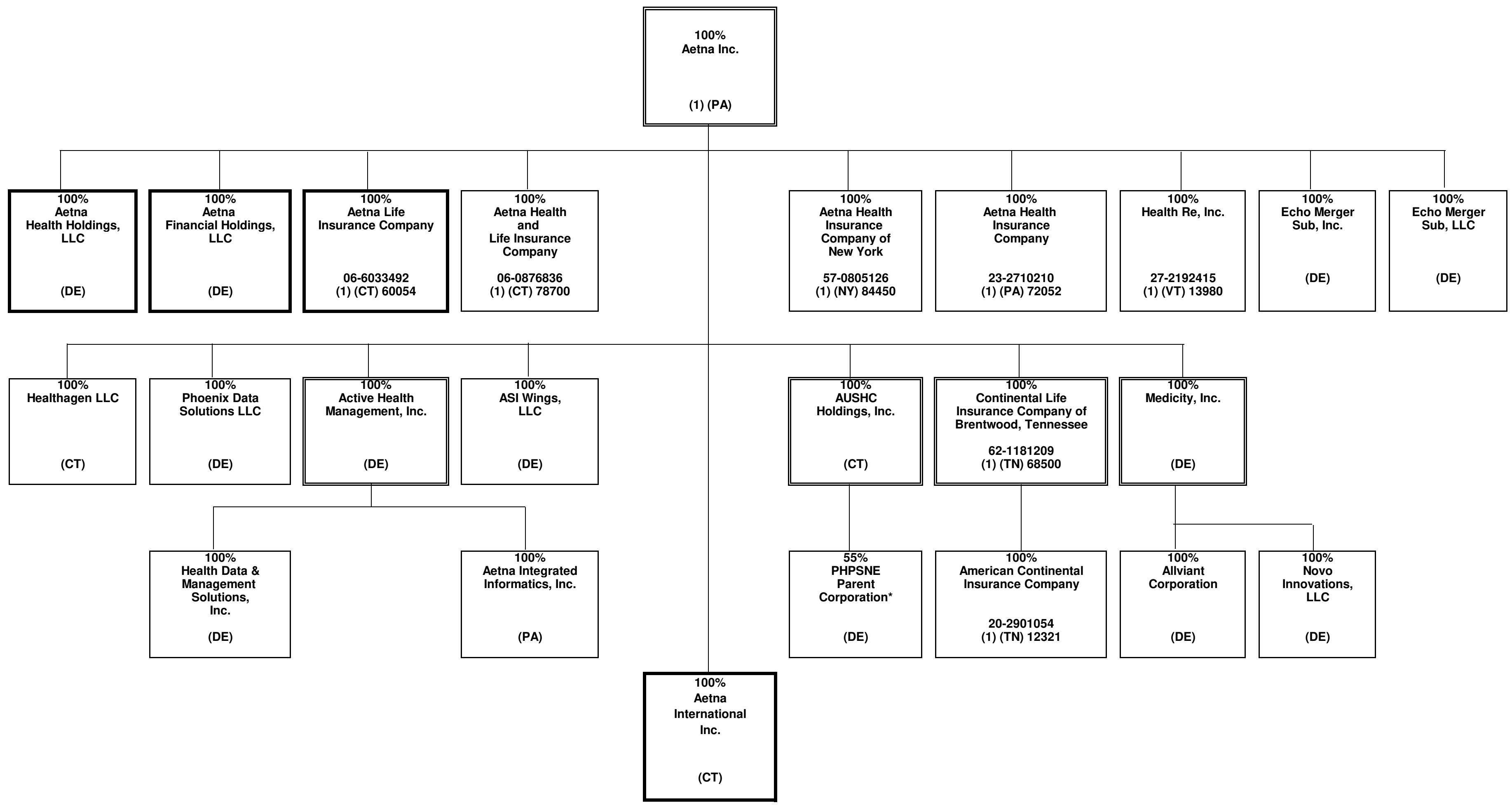
Explanation of basis of allocation by states, premiums by state, etc.

Allocation by state is based on the employer group's state of domicile

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

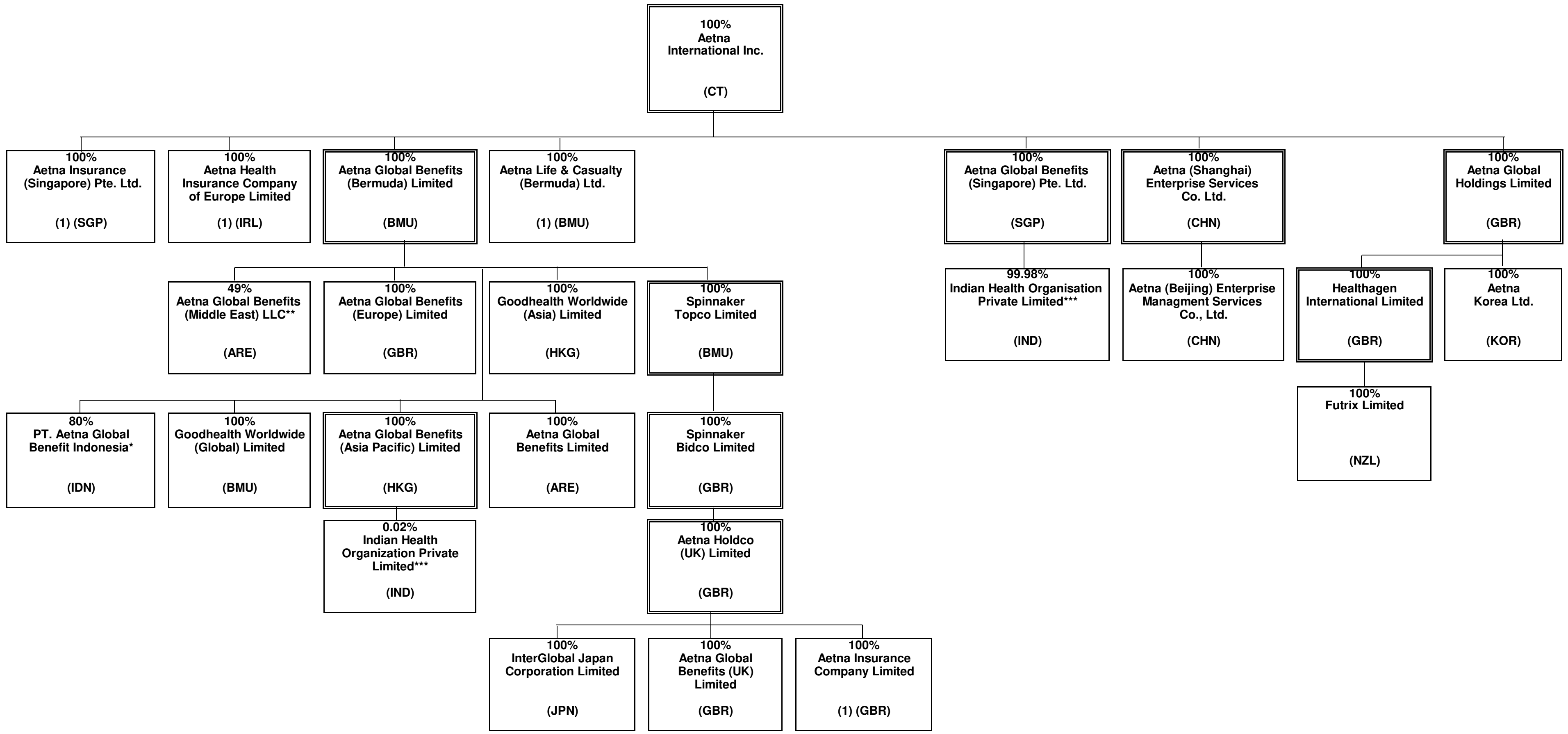


(1) Insurers/HMO's
Percentages are rounded to the nearest whole percent and based on ownership of voting rights.
Double borders indicate entity has subsidiaries shown on the same page.
Bold borders indicate entity has subsidiaries shown on a separate page.

*55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

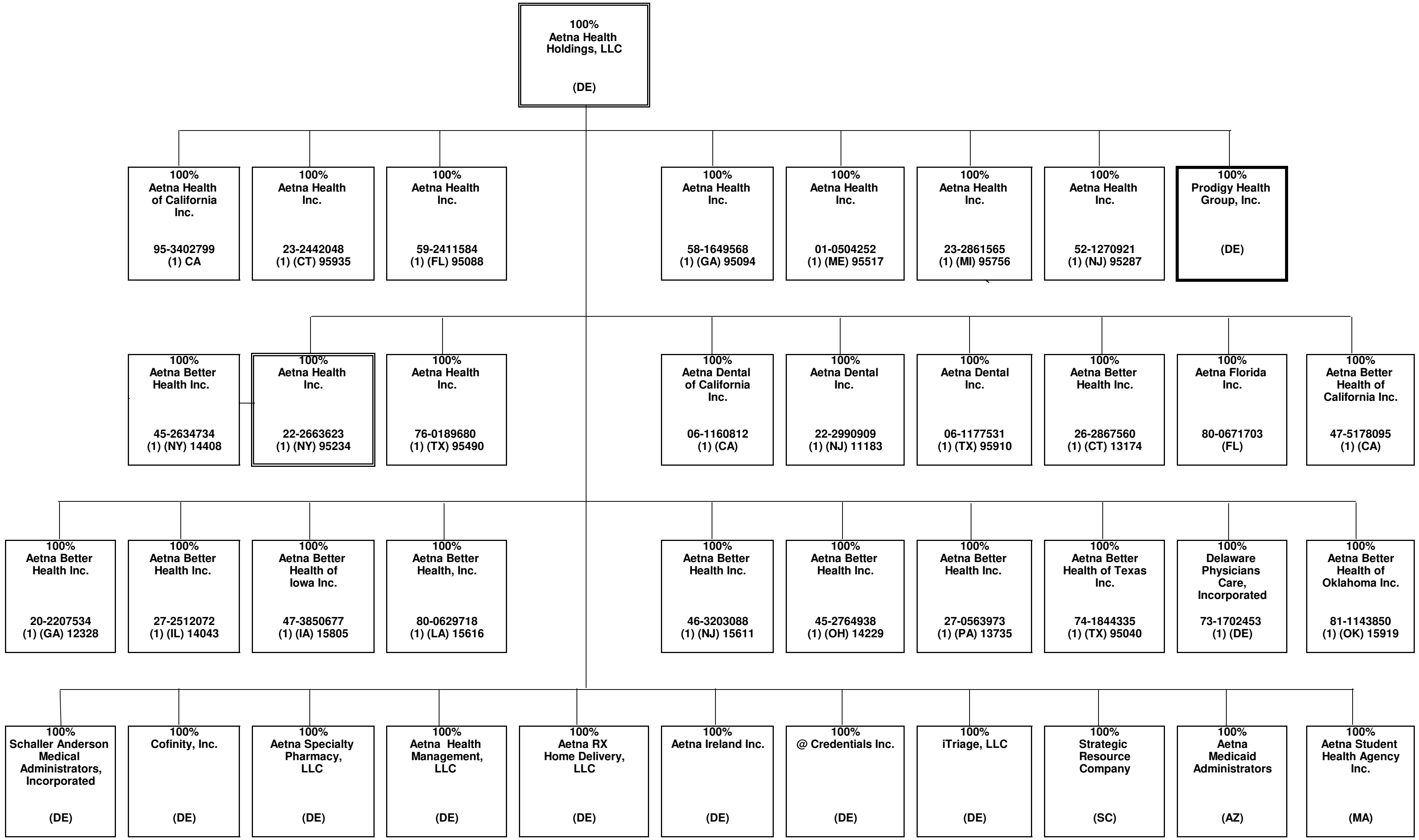
PART 1 - ORGANIZATIONAL CHART



*Aetna Global Benefits (Bermuda) Limited owns 80% and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.
** Aetna Global Benefits (Bermuda) Limited owns 49% and 51% is owned by Euro Gulf LLC, Aetna's Nominee.
*** Aetna Global Benefits (Asia Pacific) Limited owns 0.019857% of Indian Health Organization Private Limited and Aetna Global Benefits (Singapore) Pte. Ltd. owns 99.980143%.

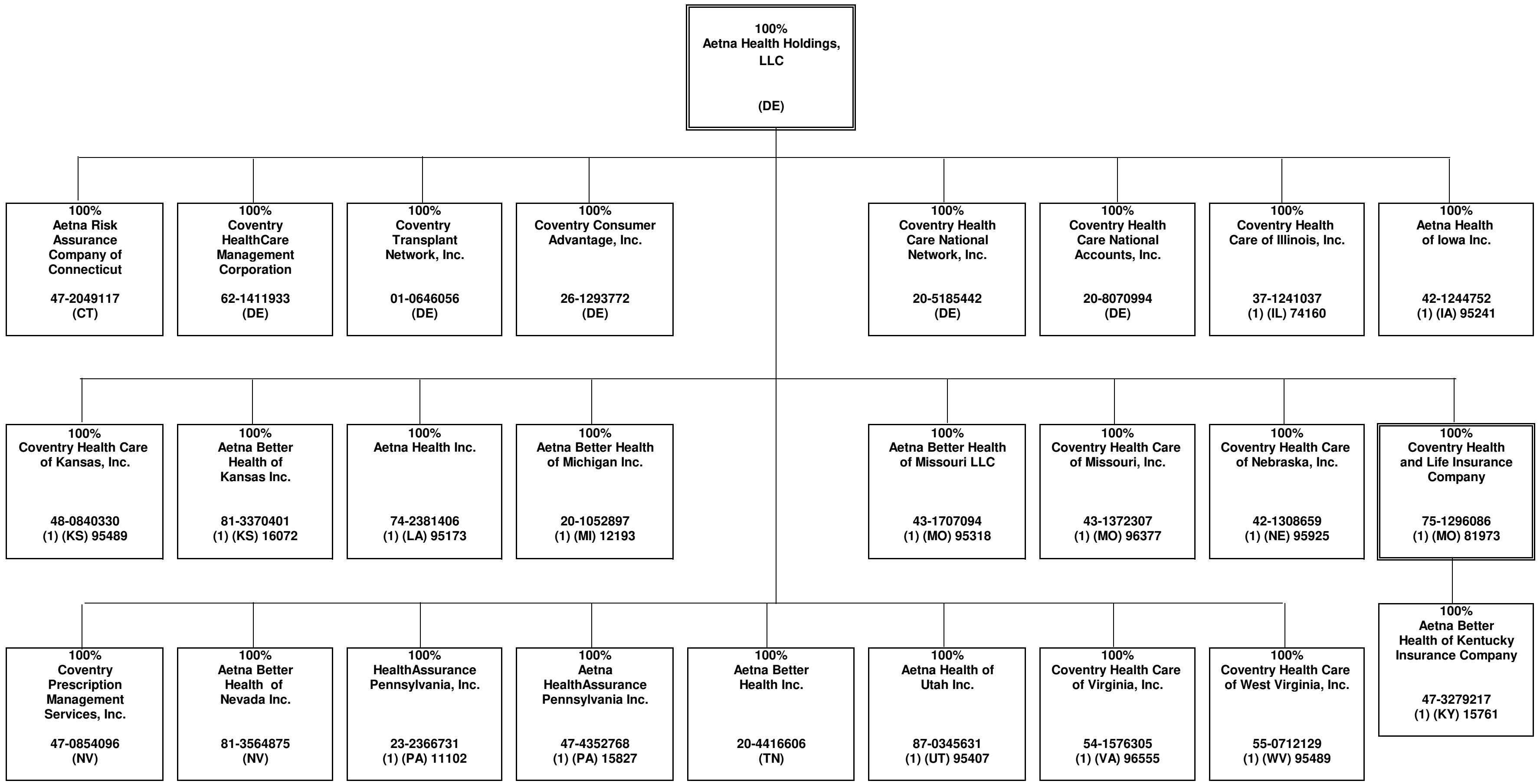
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



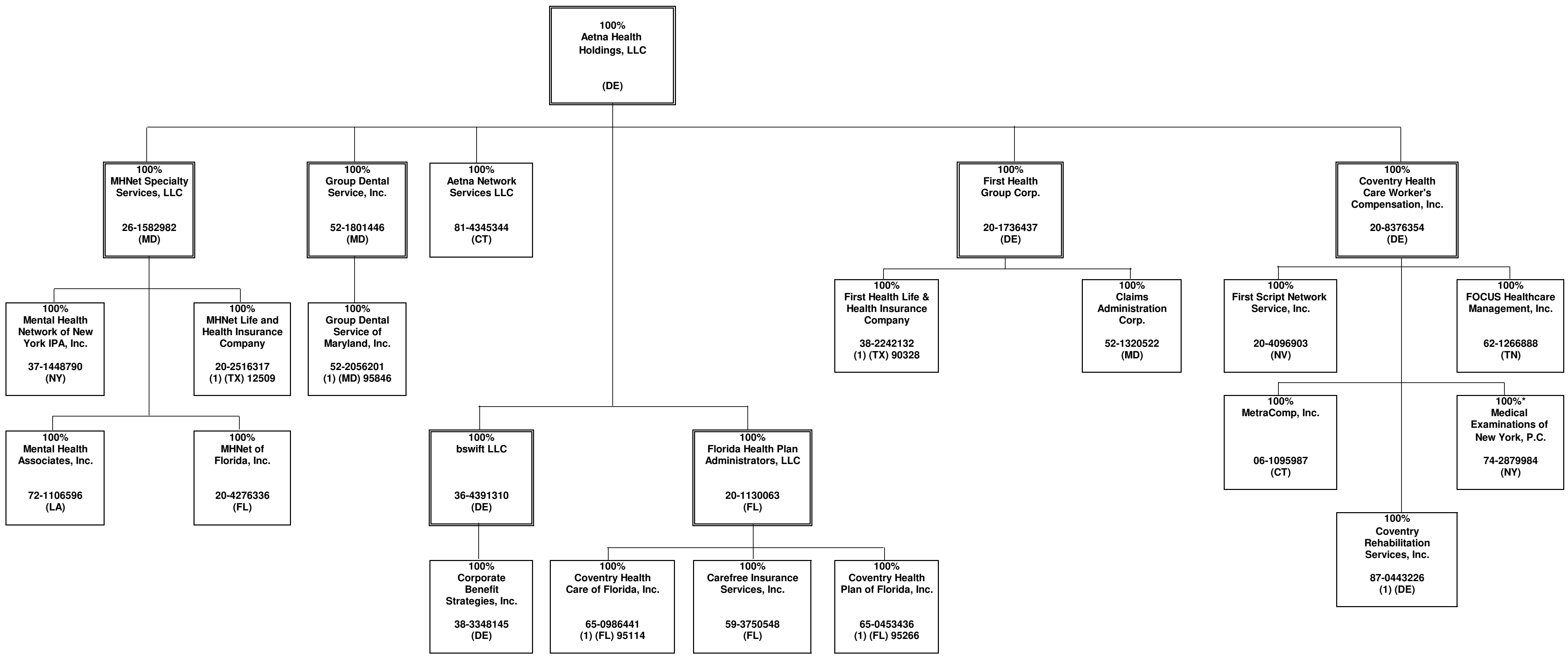
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

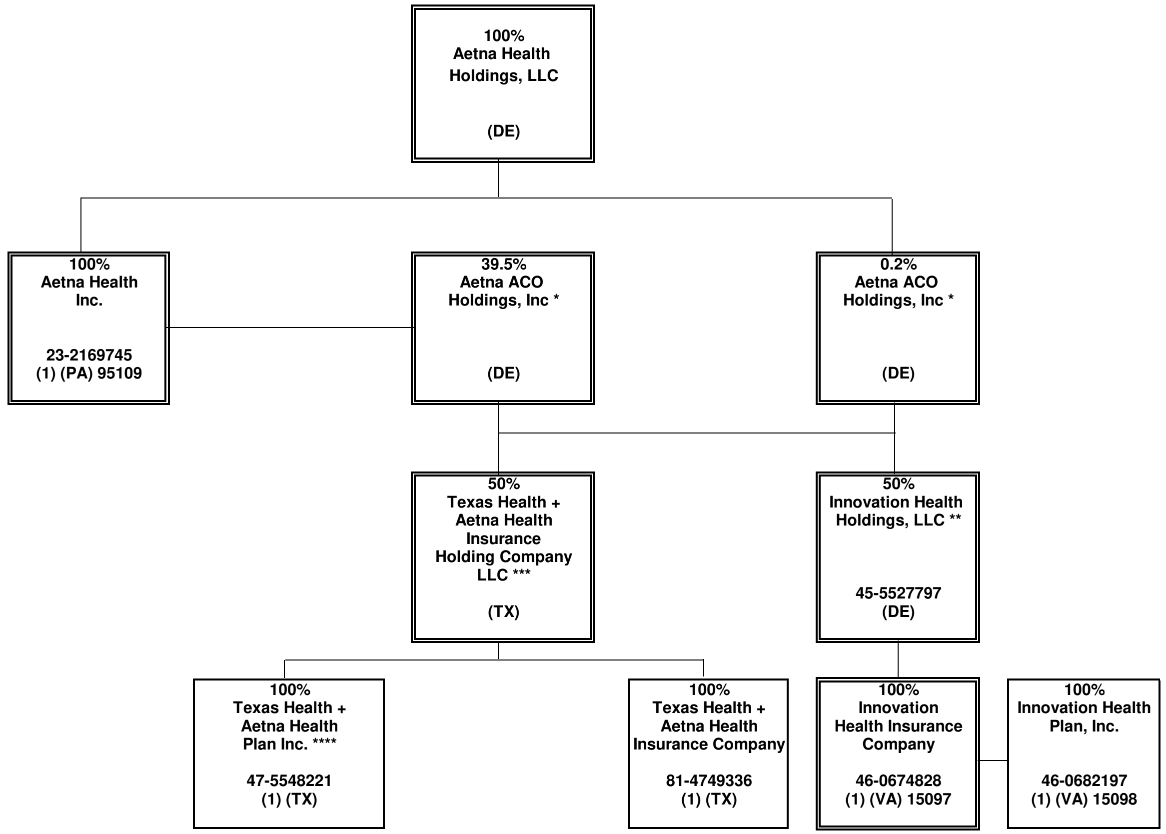
PART 1 - ORGANIZATIONAL CHART



*100% owned through Aetna's nominees

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

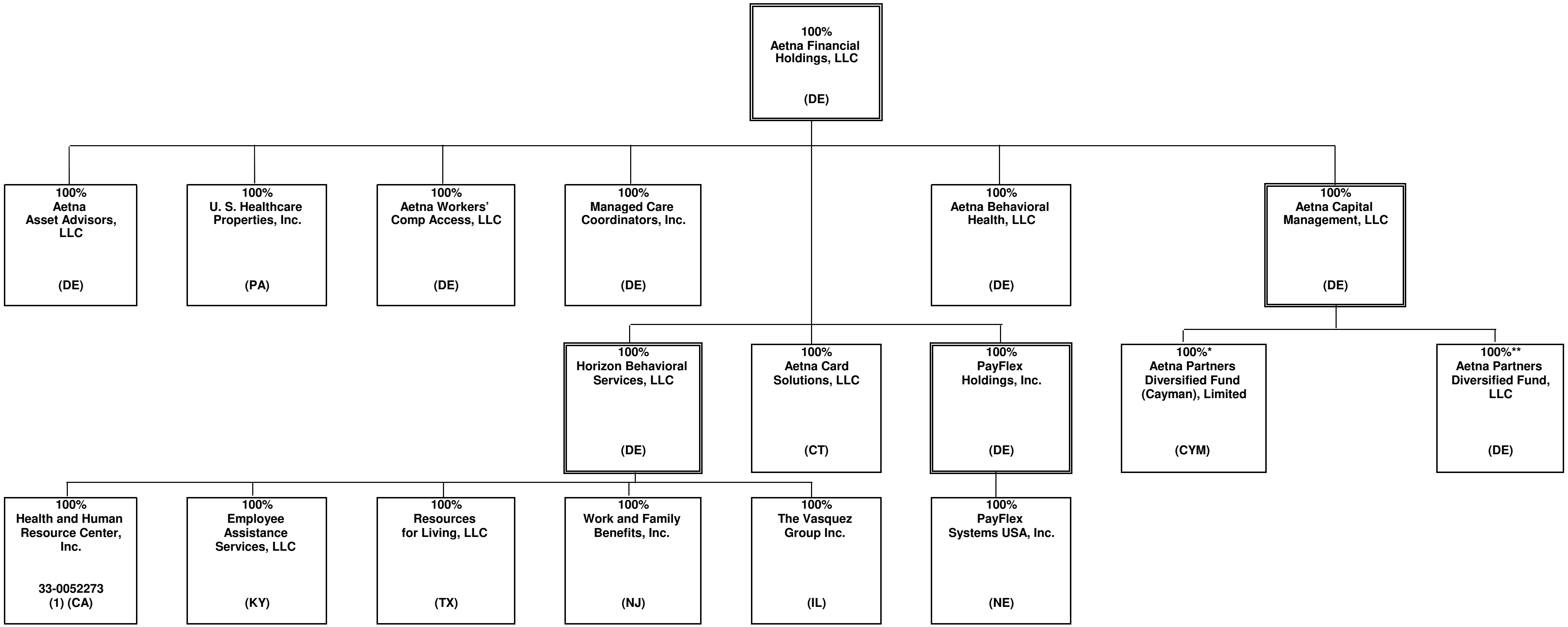
PART 1 - ORGANIZATIONAL CHART



* Aetna ACO Holdings Inc. is owned by Aetna Life Insurance Company (302 shares); Aetna Health Inc. (PA) (198 shares); and Aetna Health Holdings, LLC (1 share).
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.
***Texas Health + Aetna Health Insurance Holding Company LLC is 50% owned by Aetna ACO Holdings Inc. and 50% owned by Texas Health Resources, an unaffiliated company.
****Texas Health + Aetna Health Plan Inc. will become a direct subsidiary of Texas Health + Aetna Health Insurance Company in February 2017.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

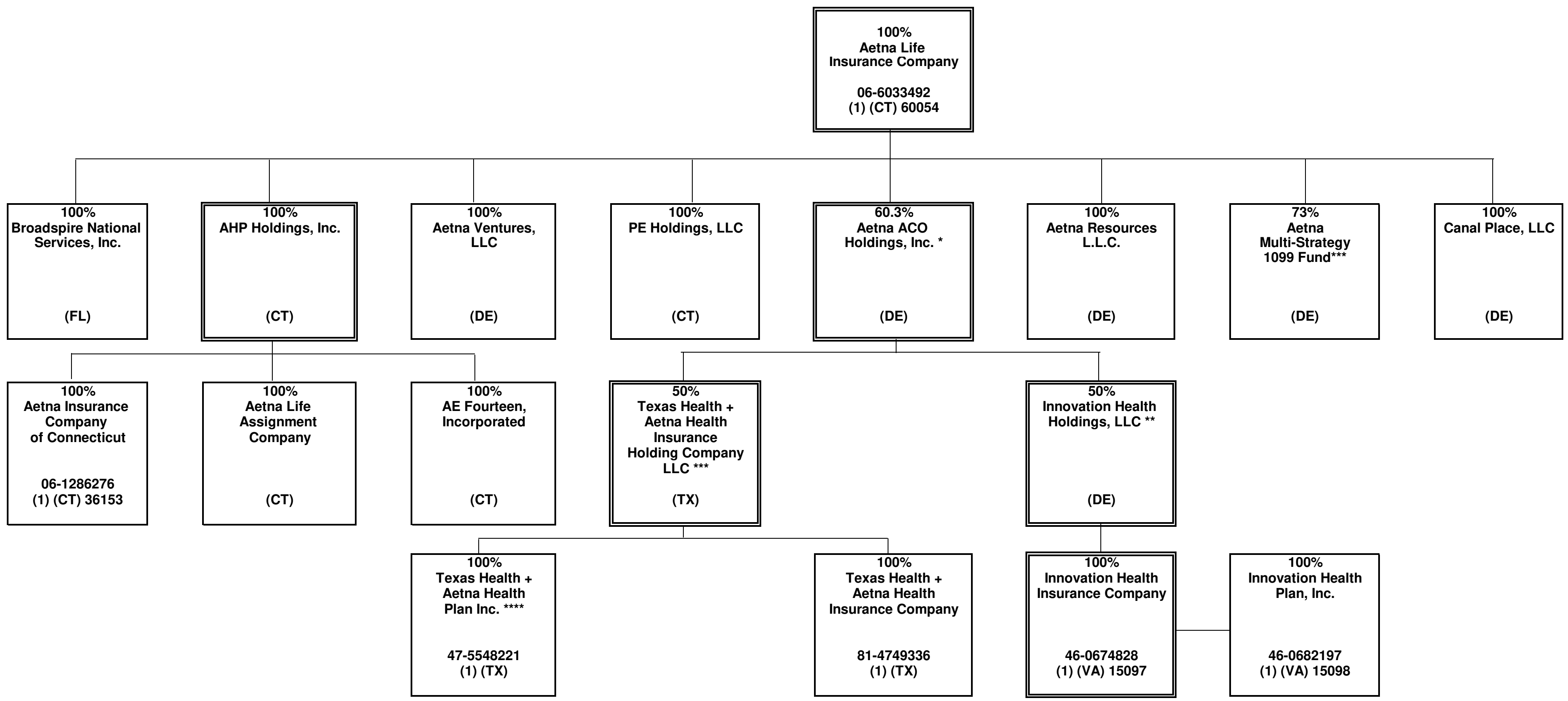


* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.

** Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



* Aetna ACO Holdings Inc. is owned by Aetna Life Insurance Company (302 shares); Aetna Health Inc. (PA) (198 shares);, and Aetna Health Holdings, LLC (1 share).
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.
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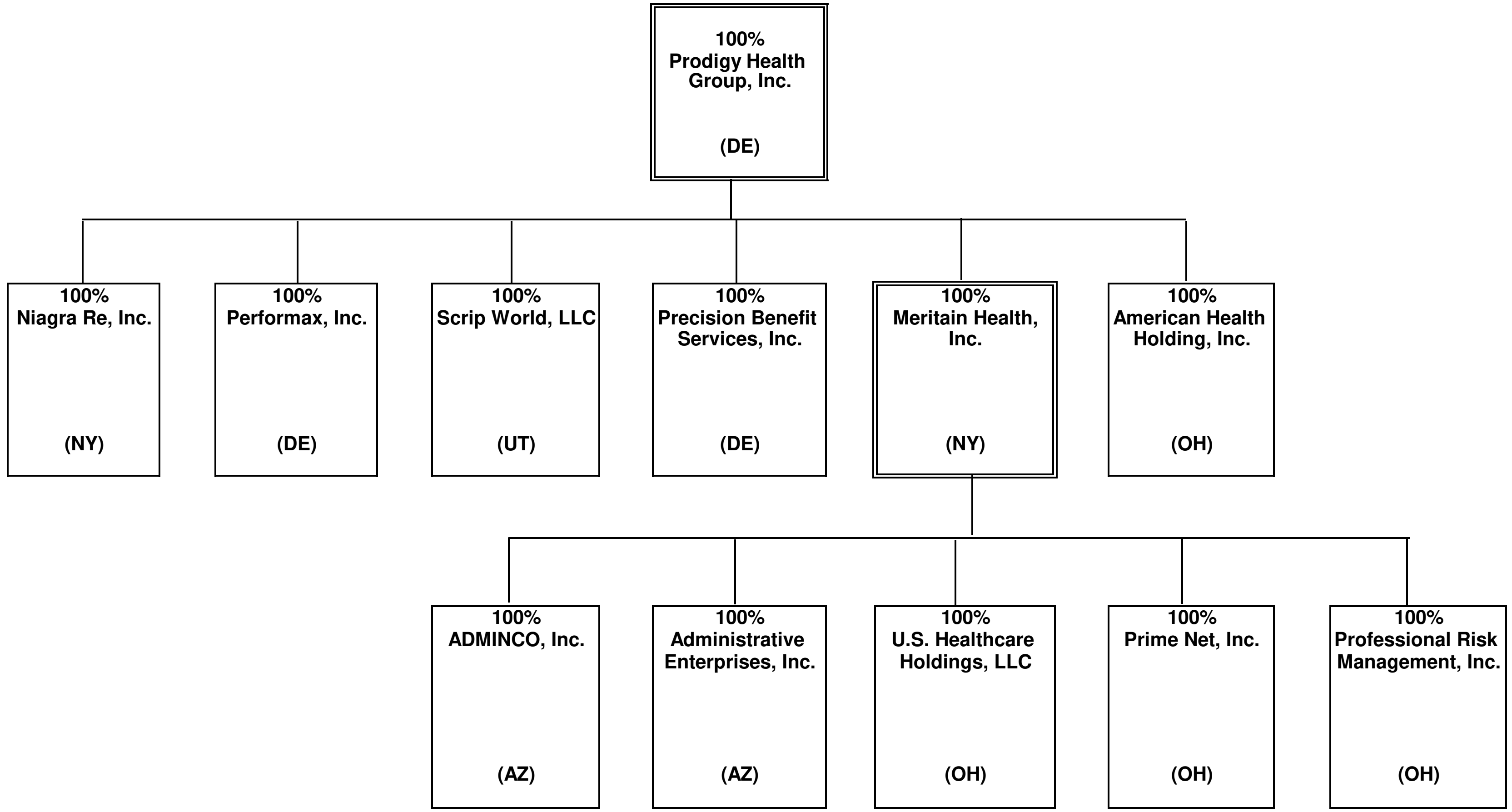
****Texas Health + Aetna Health Plan Inc. will become a direct subsidiary of Texas Health + Aetna Health Insurance Company in February 2017.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
2504.	Guaranty Fund Assessments	1,137,740		1,137,740	
2505.	Prepaid Assessments			0	60,699
2597.	Summary of remaining write-ins for Line 25 from overflow page	1,137,740	0	1,137,740	60,699

Additional Write-ins for Statement of Revenue and Expenses Line 6

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
0604.		XXX		0
0697.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 7

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
0704.		XXX		0
0705.		XXX		0
0706.		XXX		0
0797.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 14

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1404.				0
1405.				0
1406.				0
1497.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 29

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
2904.				0
2905.				0
2906.				0
2997.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0

Additional Write-ins for Statement of Revenue and Expenses Line 47

		1 Current Year	2 Prior Year
4704.	Change in Equity prior period adjustment		48,410
4705.	Prior Period deferred tax asset		(458,853)
4706.	Correction of Prior Period MLR Rebate Liability	(3,451,347)	
4707.	Correction of Prior Period Federal Income Taxes Incurred for MLR Correction	1,207,971	
4708.	Correction of Prior Period PCORI Fee	(134,777)	
4709.	Correction of Prior Period Federal Income Taxes Incurred for PCORI Fee Correction	47,172	
4710.	Correction of Prior Period CSR Adjustment	(238,709)	
4711.	Correction of Prior Period Federal Income Taxes Incurred for CSR Adjustment	83,548	
4712.			
4797.	Summary of remaining write-ins for Line 47 from overflow page	(2,486,142)	(410,443)

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

		Claim Adjustment Expenses 1 Cost Containment Expenses	Claim Adjustment Expenses 2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504.	BH Capitation	0		14,167		14,167
2597.	Summary of remaining write-ins for Line 25 from overflow page	0	0	14,167	0	14,167

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Exhibit 1 Line 6

Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
0604.	0					
0605.	0					
0606.	0					
0697. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)